STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT ☐
(highlight changes)

APPLICATION FOR PERMIT TO DRILL

5. MINERAL LEASE NO:	6. SURFACE:
ML-47549	State

1A. TYPE OF WORK: DRILL ☑ REENTER ☐ DEEPEN ☐

7. IF INDIAN, ALLOTTEE OR TRIBE NAME:

B. TYPE OF WELL: OIL ☐ GAS ☑ OTHER _____ SINGLE ZONE ☐ MULTIPLE ZONE ☑

8. UNIT or CA AGREEMENT NAME:

2. NAME OF OPERATOR:
The Houston Exploration Company

9. WELL NAME and NUMBER:
North Horseshoe 13-2-6-21

3. ADDRESS OF OPERATOR:
1100 Louisiana, Suite 20 CITY Houston STATE TX ZIP 77002

PHONE NUMBER:
(713) 830-6800

10. FIELD AND POOL, OR WILDCAT:
Undisignated

4. LOCATION OF WELL (FOOTAGES)
624875X 40.322919
AT SURFACE: 781' FSL & 688' FWL 4464425Y -109.530191
AT PROPOSED PRODUCING ZONE: Same as above.

11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:
SWSW 2 T6S 21E

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE:
13.8 miles south of Vernal, UT

12. COUNTY:
Uintah

13. STATE:
UTAH

15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET)	16. NUMBER OF ACRES IN LEASE:	17. NUMBER OF ACRES ASSIGNED TO THIS WELL:
688'	640	40
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET)	**19. PROPOSED DEPTH:**	**20. BOND DESCRIPTION:**
2,600'	9,400	104155044
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.):	**22. APPROXIMATE DATE WORK WILL START:**	**23. ESTIMATED DURATION:**
5,132' GR	1/15/2006	30 Days

24. **PROPOSED CASING AND CEMENTING PROGRAM**

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT			
11"	9 5/8 J-55 36#	2,000	Premium Lite II	250 SKS	3.38 CF	11.0 PPG
			CLASS "G"	329 SKS	1.2 CF	15.6 PPG
			Calcium Chloride	200 SKS	1.10 CF	15.6 PPG
7 7/8	4 1/2 N-80 11.6#	9,400	Premium Lite II	200 SKS	3.3 CF	11.0 PPG
			CLASS "G"	400 SKS	1.56 CF	14.3 PPG

25. **ATTACHMENTS**

CONFIDENTIAL

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:

☑ WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER
☑ COMPLETE DRILLING PLAN
☑ EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER
☐ FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

NAME (PLEASE PRINT) William A Ryan TITLE Agent

SIGNATURE William A Ryan DATE 12-7-05

(This space for State use only)

API NUMBER ASSIGNED: 43-047-37476

Approved by the
Utah Division of
Oil, Gas and Mining
APPROVAL
Date: 12-22-05
By:

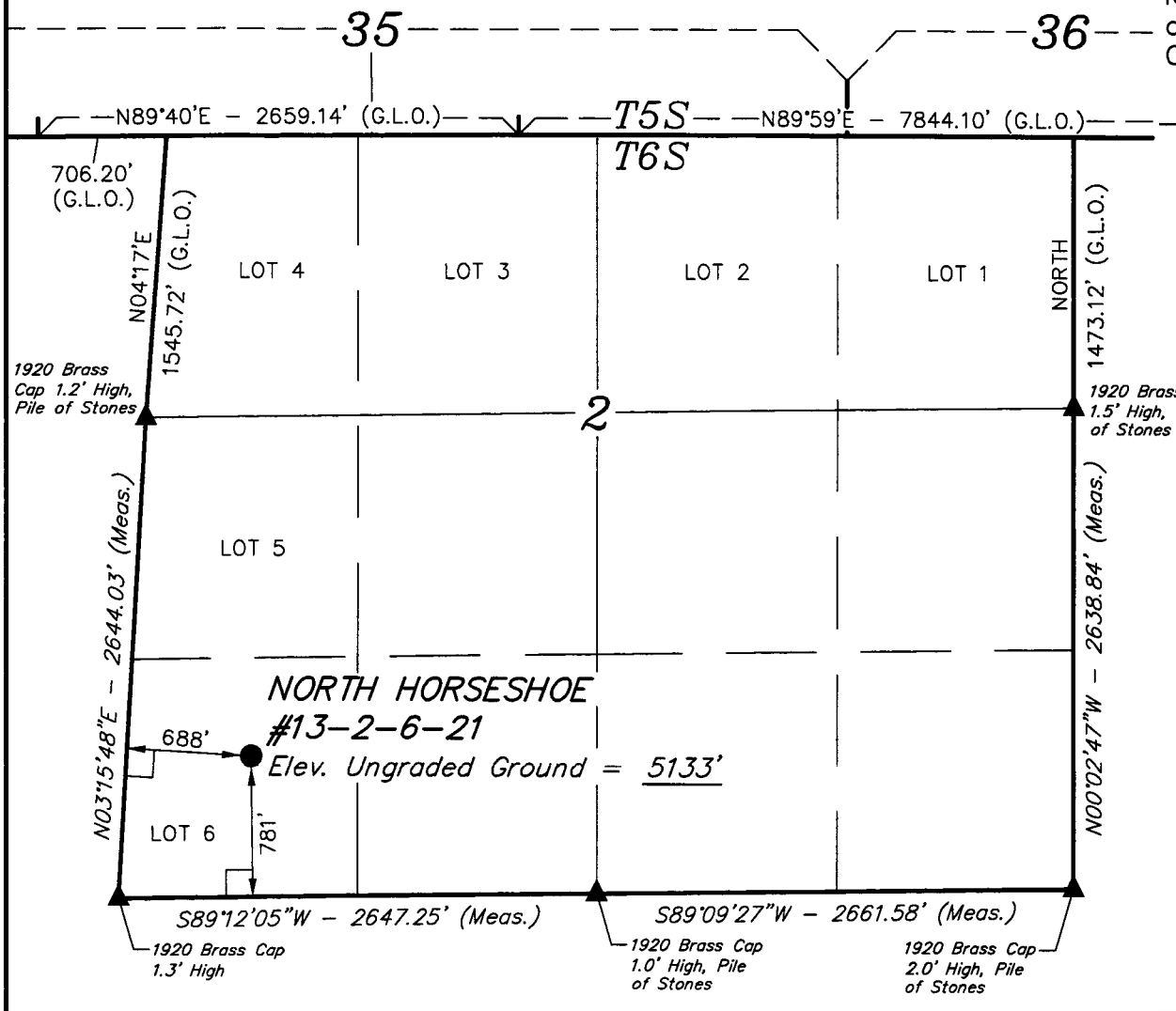
RECEIVED
DEC 09 2005
DIV. OF OIL, GAS & MINING

(11/2001) (See Instructions on Reverse Side)

THE HOUSTON EXPLORATION COMPANY

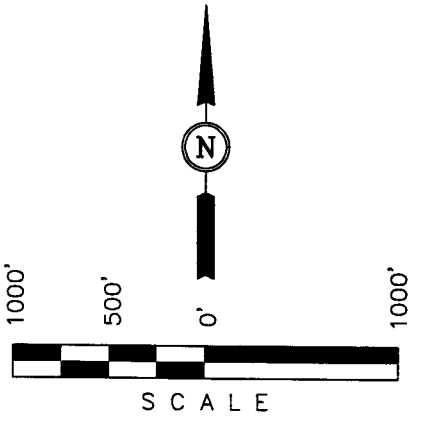
Well location, NORTH HORSESHOE #13-2-6-21, located as shown in the SW 1/4 SW 1/4 (LOT 6) of Section 2, T6S, R21E, S.L.B.&M. Uintah County, Utah.

T6S, R21E, S.L.B.&M.



BASIS OF ELEVATION

SPOT ELEVATION AT THE NORTHWEST CORNER OF SECTION 3, T6S, R21E, S.L.B.&M. TAKEN FROM THE VERNAL SE, UTAH, UINTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5358 FEET.



CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

REGISTERED LAND SURVEYOR
REGISTRATION NO. 161319
STATE OF UTAH

BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.

(AUTONOMOUS NAD 83)
LATITUDE = 40°19'22.27" (40.322853)
LONGITUDE = 109°31'51.76" (109.531044)
(AUTONOMOUS NAD 27)
LATITUDE = 40°19'22.41" (40.322892)
LONGITUDE = 109°31'49.27" (109.530353)

LEGEND:

└ = 90° SYMBOL
● = PROPOSED WELL HEAD.
▲ = SECTION CORNERS LOCATED.

UINTAH ENGINEERING & LAND SURVEYING
85 SOUTH 200 EAST - VERNAL, UTAH 84078
(435) 789-1017

SCALE: 1" = 1000'	DATE SURVEYED: 11-04-05	DATE DRAWN: 11-10-05
PARTY: N.H. D.S. P.M.	REFERENCES: G.L.O. PLAT	
WEATHER: COOL	FILE: THE HOUSTON EXPLORATION COMPANY	

THE HOUSTON EXPLORATION COMPANY

WELL NAME	API	LEAD sks	TAIL sks
NH 9-16-6-21	43-047-37439	415	514
NH 3-16-6-21	43-047-37391	415	514
NH 13-16-6-21	43-047-37575	415	514
NH 15-2-6-21	43-047-37477	415	514
NH 13-2-6-21	43-047-37476	415	514
NH 11-16-6-21	43-047-37441	499	515
NH 7-16-6-21	43-047-37438	499	515
NH 1-16-6-21	43-047-37442	499	515
NH 15-16-6-21	43-047-37440	499	515
NH 12-7-6-22	43-047-37392	415	515
NH 16-9-6-22	43-047-37393	415	515
NH 14-10-6-22	43-047-37394	415	515
NH 4-15-6-22	43-047-37396	415	515
NH 2-15-6-22	43-047-37395	415	515
NWH 13-36-6-23	43-047-37463	357	526
NWH 15-36-6-23	43-047-37464	357	526
NWH 11-36-6-23	43-047-37462	357	526
NWH 14-32-6-23	43-047-37478	357	526
NWH 2-32-6-23	43-047-37399	357	526
NWH 8-32-6-23	43-047-37401	357	526
NWH 10-32-6-23	43-047-37400	357	526
NWH 12-32-6-23	43-047-37397	357	526
NWH 16-32-6-23	43-047-37398	357	526
G 2-2-6-19	43-047-37561	153	1,050
G 16-2-6-19	43-047-37562	153	1,050
G 1-2-6-19	43-047-37563	153	1,050
G 3-2-6-19	43-047-37568	153	1,050

Clinton Dworshak - cement sks changes

From: eric bowedn <starman686@yahoo.com>
To: <clintondworshak@utah.gov>
Date: 1/18/2006 1:39 PM
Subject: cement sks changes

here are the cement sks changes that you reqested.

Ten Point Plan

The Houston Exploration Company

North Horseshoe 13-2-6-21

Surface Location SW ¼ SW ¼, Section 2, T. 6S., R. 21E.

1. Surface Formation

Green River

2. Estimated Formation Tops and Datum:

Formation	Depth	Datum
GR	Surface	5,132'
KB	+12'	5,144'
Green River	3,601'	+1,531'
Wasatch	6,701'	-1,569'
Mesaverda	9,300'	-4,168'
TD	9,400'	-4,268'

A 11" hole will be drilled to 2,000' +/-. The hole depth will depend on the depth that the Birds Nest Zone is encountered. The hole will be drilled 400' beyond the top of the Birds Nest.

3. Producing Formation Depth:

Formation objective includes the Green River, Wasatch, Mesaverde and its sub-members.

Off set well information
Permitted/Drilled:
North Horseshoe 15-2-6-21

4. **Proposed Casing:**

Hole Size	Casing Size	Weight/FT	Grade	Coupling & Tread	Casing Depth	New/Used
11	8 5/8	36#	J-55	STC	2000	NEW
7 7/8	4 ½	11.6#	N-80	LTC	T.D.	NEW

Cement Program:

The Surface Casing will be cemented to the Surface as follows:

	Casing Size	Cement Type	Cement Amounts	Cement Yield	Cement Weight
Lead:					
	8 5/8	Premium Lite II .05#/sk Static Free .25#/sk Cello Flake 5#/sk KOL Seal .002 gps FP-6L 10% Bentonite .5% Sodium Metasilicate 3% Potassium Chloride	250 sks. +/-	3.38ft³/sk	11.0 ppg
Tail:					
	8 5/8	Class "G" 2% Calcium Chloride .25#/sk Cello Flake	329 sks. +/-	1.2ft³/sk	15.6 ppg
Top Job:					
	8 5/8	4% Calcium Chloride .25#/sk Cello Flake	200 sks. +/-	1.10ft³/sk	15.6 ppg

Production casing will be cemented to 2,500' or higher as follows:

	Casing Size	Cement Type	Cement Amounts	Cement Yield	Cement Weight
Lead:					
	4 1/2	Premium Lite II .25#/sk Cello Flake .05#/sk Static Free 5#/sk Kol Seal 3% Potassium Chloride .055 gps FP-6L 10% Bentonite .5 Sodium Metasilicate	200 sks +/-	3.3ft³/sk	11.0 ppg
Tail:					
	4 1/2	Class "G" .05% Static Free 2 Sodium Chloride .1% R-3 2% Bentonite	400 sks +/-	1.56ft³/sk	14.3 ppg

5. BOP and Pressure Containment Data:

The anticipated bottom hole pressure will be less than 5000 psi.

A 5000-psi WP BOP system as described in the BOP and Pressure Containment Data (attached) will be installed and maintained from the 8 5/8" surface casing. The BOP system including the casing will be pressure tested to minimum standards set forth in "On Shore Order #2". The BOP will be mechanically checked daily during the drilling operation.

6. Mud Program:

Interval	Mud weight lbs./gal.	Viscosity Sec./OT.	Fluid Loss Ml/30 Mins.	Mud Type
0-2000	Air/Clear Water	------	No Control	Water/Gel
2000-T.D.	8.4-12.0	30	8-10	Water/Gel

7. Auxiliary Equipment

Upper Kelly cock, full opening stabbing valve, 2 ½" choke manifold and pit level indicator.

8. Testing, Coring, Sampling and Logging:

a) Test: None are anticipated.

b) Coring: There is the possibility of sidewall coring.

c) Sampling: Every 10' from 2000' to T.D.

d) Logging:

Type	Interval
DLL/SFL W/GR and SP	T.D. to Surf. Csg
FDC/CNL W/GR and CAL	T.D. to Surf. Csg

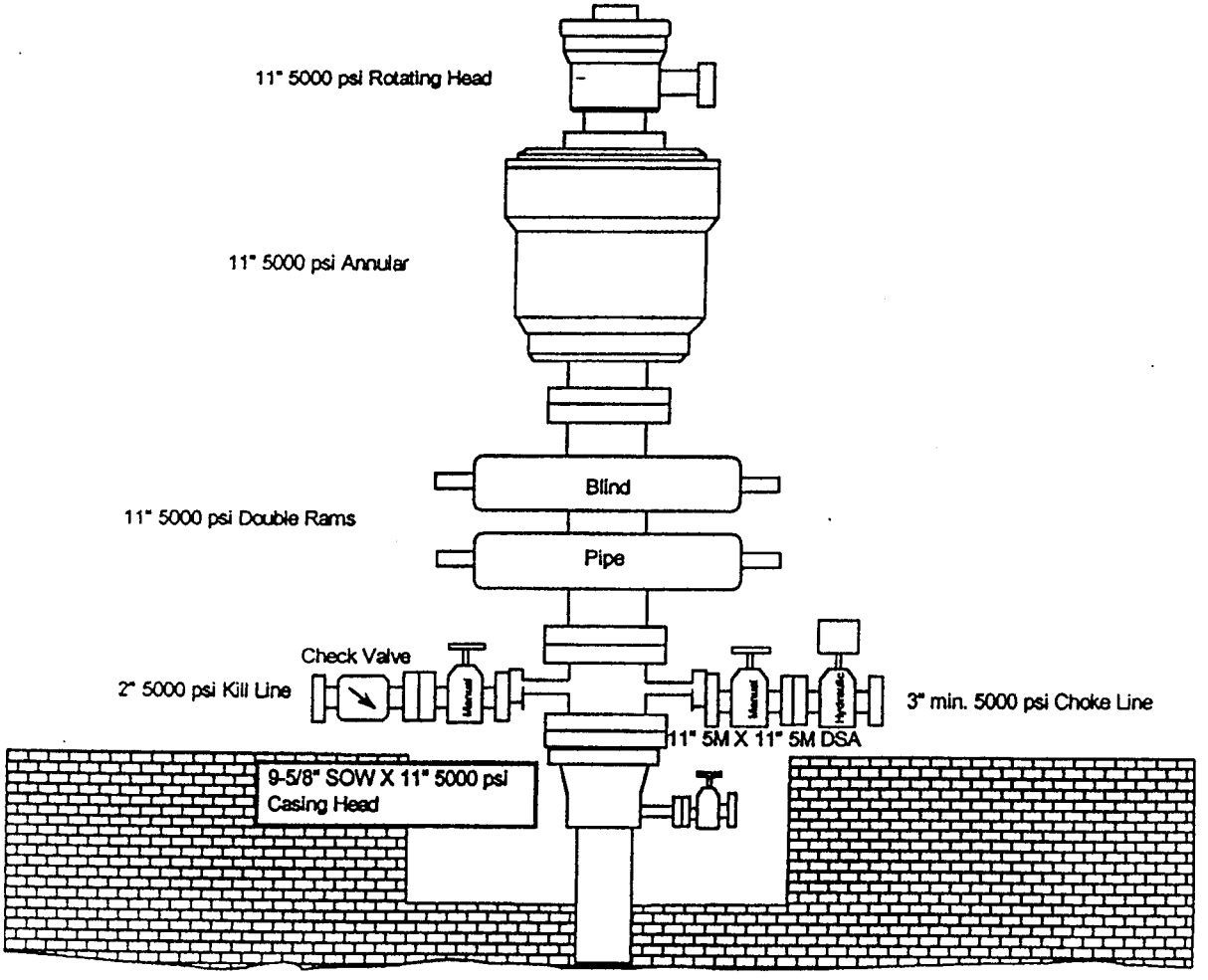
9. Abnormalities (including sour gas):

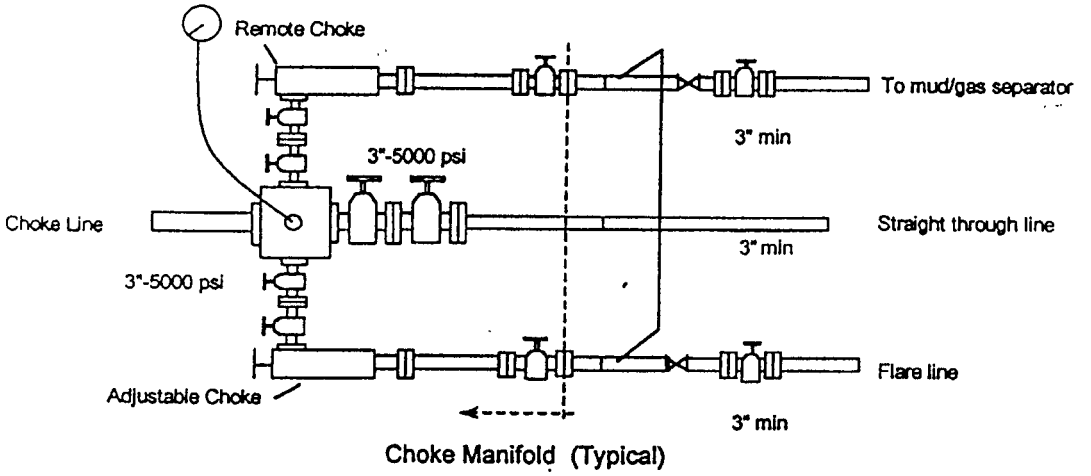
No abnormal pressures, temperatures or other hazards are anticipated. Oil and gas shows are anticipated in the Wasatch Formation. Other wells drilled in the area have not encountered over pressured zones or H2S.

10. Drilling Schedule:

The anticipated starting date is __01/15/2006__. Duration of operations is expected to be 30 days.

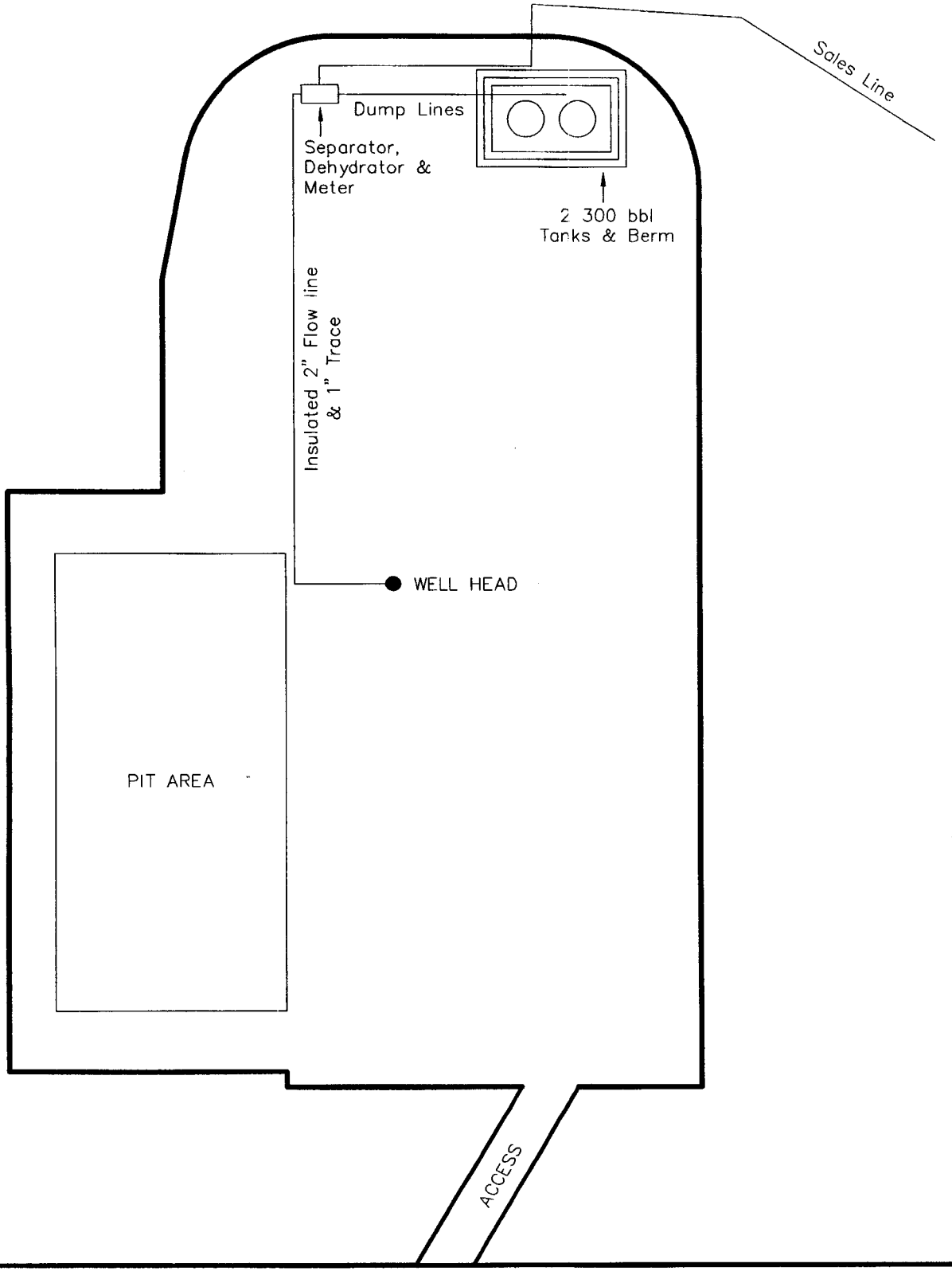
BOPE Diagram
5000 psi WP





Choke Manifold (Typical)

TYPICAL PRODUCTION LAYOUT



THE HOUSTON EXPLORATION COMPANY

13 POINT SURFACE USE PLAN

FOR WELL

NORTH HORSESHOE 13-2-6-21

LOCATED IN SW ¼ SW ¼

SECTION 2, T.6S, R21E, S.L.B.&M.

UINTAH COUNTY, UTAH

LEASE NUMBER: ML-47549

SURFACE OWNERSHIP: STATE

1. Existing Roads:

To reach The Houston Exploration Co. well North Horseshoe 13-2-6-21 in Section 2, T6S, R 21E, starting in Vernal, Utah:

Proceed in a westerly direction form Vernal, Utah along US Highway 40 approximately 6.3 miles to the junction of this road and an existing road to the south; exist left and proceed in a southerly, then southeasterly direction approximately 4.6 miles to the beginning of the proposed access for the well 15-2-6-21 to the east; follow road flags in an easterly then, southeasterly direction approximately 2.7 miles to the beginning of the proposed access to the south; follow road flags in a southerly direction approximately 0.2 miles to the proposed location

Total distance from Vernal, Utah to the proposed well location is approximately 13.8 miles.

All existing roads to the proposed location are State of Utah, BLM maintained or County Class D roads. Please see the attached map for additional details.

2. Planned access road

The proposed access road will be approximately 1,056' +/- of new construction on lease. The road will be graded once per year minimum and maintained.

A) Approximate length	**1056 ft**
B) Right of Way width	**30 ft**
C) Running surface	**18 ft**
D) Surface material	**Native soil**
E) Maximum grade	**5%**
F) Fence crossing	**None**
G) Culvert	**None**
H) Turnouts	**None**
I) Major cuts and fills	**None**
J) Road Flagged	**Yes**
K) Access road surface ownership	**State**
L) All new construction on lease	**Yes**
M) Pipe line crossing	**None**

Please see the attached location plat for additional details.

An off lease right-of-way will not be required.

All surface disturbances for the road and location will be within the lease boundary.

3. Location of existing wells
The following wells are located within a one-mile radius of the location site.

A) Producing well	**None**
B) Water well	**None**
C) Abandoned well	**None**
D) Temp. abandoned well	**None**
E) Disposal well	**None**
F) Drilling /Permitted well	**North Horseshoe 15-2-6-21**
G) Shut in wells	**None**
H) Injection well	**None**
I) Monitoring or observation well	**None**

Please see the attached map for additional details.

4. Location of tank batteries, production facilities and production gathering service lines.

All production facilities are to be contained within the proposed location site. Please see the attached plat plan for a typical gas well separator installation and well site piping.

All permanent (on site for more than six months or longer) structures constructed or installed will be painted an **Carlsbad Canyon** color. Facilities required to comply with O.S.H.A. (Occupational Safety and Health Act) will be excluded. The required paint color is **Carlsbad Canyon.**

All tanks will be surrounded by a dike of sufficient capacity to contain the storage capacity of the largest tank in the battery. The integrity of the dike will be maintained.

All off lease storage, off lease measurement, commingling on lease or off lease, of production, will have prior written approval form the authorized officer.

If the well is capable of economic production a surface gas line will be required.

Approximately 1,060' +/- of 3" steel surface gas gathering line would be constructed on State. The line will tie into the proposed pipeline in Section 2, T6S, R21E. The pipeline would be strung and boomed to the north of the location and follow access roads. The pipeline may be buried as determined by the Authorized Officer at the onsite.

An off lease right-of-way will not be required.

Please see the attached location diagrams for pipeline location.

The gas meter run will be located within 500' of the wellhead. The gas line will be buried or anchored down from the wellhead to the meter. Meter runs will be housed and/or fenced.

The gas meter will be calibrated and the tank strapped in place prior to any deliveries. Tests for meter accuracy will be conducted monthly for the first three months on new meter installations and at least quarterly thereafter. The authorized officer will be provided with a date and time for the initial meter calibration and all future meter-proving schedules. A copy of the meter calibration report will be submitted to the State of Utah, Division of Oil, Gas, and Mining. All measurement facilities will conform to API (American Petroleum Institute) and AGA (American Gas Association) standards for gas and liquid hydrocarbon measurement.

5. Location and type of water supply

Water for drilling and cementing will come from The Green River in Permit # T-76073.

6. Source of construction materials

All construction material for this location site and access road shall be borrow material accumulated during construction of the location site and access road. Additional road gravel or pit lining material will be obtained from private resources.

7. Methods for handling waste disposal

A) Pit construction and liners:

The reserve pit will be approximately **12 ft.** deep and most of the depth shall be below the surface of the existing ground Please see the attached plat for details.

The reserve pit will be lined.

The reserve pit will be used to store water for drilling. A semi-closed system will be used to drill the well. All fresh water for drilling will come from a frac tank placed on location and from the rig tank. The pit will be used to hold non-flammable materials such as cuttings, salt, drilling fluids, chemicals, produced fluids, etc.

B) Produced fluids:

Produced water will be confined to the reserve pit, or if deemed necessary, a storage tank for a period not to exceed 90 days after initial production. During the 90-day period an application for approval for permanent disposal method and location will be submitted to the authorized officer. **Evaporation may be used instead of trucking to facilitate closing and reclamation of the reserve pit. A pumping system would be used for evaporation.**

C) Garbage:

A trash cage fabricated from expanded metal will be used to hold trash on location and will be removed to an authorized landfill location.

D) Sewage:

A portable chemical toilet will be supplied for human waste.

E) Site clean-up:

After the rig is moved off the location the well site area will be cleaned and all refuse removed.

8. Ancillary facilities

There are no ancillary facilities planned at this time and none are foreseen for the future.

9. Well-site layout

Location dimensions are as follows:

A) Pad length	**345 ft.**
B) Pad width	**245 ft.**
C) Pit depth	**12 ft.**
D) Pit length	**150 ft.**
E) Pit width	**75 ft.**
F) Max cut	**17.0 ft.**
G) Max fill	**9.2 ft.**

H) Total cut yds. 9,810 cu yds
I) Pit location East end
J) Top soil location South end
K) Access road location North end
L) Flare Pit corner C

Please see the attached location diagram for additional details.

All pits will be fenced according to the following minimum standards:

A) Thirty nine inch net wire shall be used with at least one strand of wire on top of the net wire. Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.

B) The net wire shall be no more than 2 inches above the ground. The barbed wire shall be 3 inches above the net wire. Total height of the fence shall be at leas 42 inches.

C) Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.

D) Standard steel, wood or pipe posts shall be used between the corner braces. Maximum distance between any two posts shall be no greater than 16 ft.

E) All wire shall be stretched by using a stretching device before it is attached to the corner posts.

10. Plans for restoration of the surface

Prior to construction of the location, the top 6 inches of soil material will be stripped off the location and the pit area. The topsoil removed and piled will amount to approximately **1,710** cubic yards of material. Topsoil will be stockpiled in one distinct pile. Placement of the topsoil is noted on the attached location plat. The topsoil pile from the location will be seeded as soon as the soil is stock piled with the seed mix listed. When all drilling and completion activities have been completed and the pit back-filled the topsoil from the pit area will be spread on the pit area. The pit area will be seeded when the soil has been spread. The unused portion of the location (the area outside the dead men) will be re-contoured.

The dirt contractor will be provided with an approved copy of the surface use plan prior to construction activities.

Changes to the drainage during the construction activities shall be restored to its original line of flow or as near as possible when the pit is back-filled

All disturbed areas will be re-contoured to the approximate natural contours. Prior to back filling the pit the fences around the reserve pit will be removed.

The reserve pit will be reclaimed within 90 days of well completion. If the reserve pit has not dried sufficiently to allow back filling, an extension on the time requirement

for back filling the pit will be requested. Once reclamation activities have begun, they shall be completed within 30 days.

After the reserve pit has been reclaimed, no depressions in the soil covering the reserve pit will be allowed. The objective is to keep seasonal rainfall and run off from seeping into the soil used to cover the reserve pit. Diversion ditches and water bars will be used to divert the run off as needed.

When restoration activities have been completed, the location site and new access road cuts and shoulders shall be reseeded. Prior to reseeding, all disturbed areas will be scarified and left with a rough surface.

A) Seeding dates:

Seed will be spread when topsoil is stock piled and when reclamation work is performed.

The seed mix and quantity list will be used whether the seed is broadcast or drilled.

B) Seed Mix

To be determined by the Authorized Officer.

11. Surface ownership:

Access road	**State**
Location	**State**
Pipe line	**State**

12. Other information:

A) Vegetation

The vegetation coverage is Slight. The majority of the existing vegetation consists of non-native species. Rabbit brush, bitter brush, and Indian Rice grass and Sagebrush are also found on the location.

B) Dwellings:

There are no dwelling or other facilities within a one-mile radius of the location.

C) Archeology:

The location has been surveyed. A copy of that survey will be forwarded to your office.

If, during operations, any archaeological or historical sites, or any objects of antiquity (subject to the antiquities act of June 8, 1906) are discovered, all operations, which would affect such sites, will be suspended and the discovery reported promptly to the surface management agency.

D) Water:

The nearest water is the Green River located approximately 2 miles to the South.

E) Chemicals:

No pesticides, herbicides or other possible hazardous

chemicals will be used without prior application.

F) Notification:

a) Location Construction
At least forty eight (48) hours prior to construction of location and access roads.
b) Location completion
Prior to moving on the drilling rig.
c) Spud notice
At least twenty-four (24) hours prior to spudding the well.
d) Casing string and cementing
At least twenty-four (24) hours prior to running casing and cementing all casing strings.
e) BOP and related equipment tests
At least twenty-four (24) hours prior to initial pressure tests.
f) First production notice
Within five (5) business days after the new well begins, or production resumes after well has been off production for more than 90 days.

G) Flare pit:

The flare pit will be located in **corner C** of the reserve pit out side the pit fences and 100 feet from the bore hole on the east side of the location. All fluids will be removed from the pit within 48 hours of occurrence.

13. Lessees or Operator's representative and certification

A) Representative

William A. Ryan
Rocky Mountain Consulting
290 S 800 E
Vernal, UT 84078

Office 435-789-0968
Fax 435-789-0970
Cellular 435-828-0968

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, onshore oil and gas orders, and any applicable notices to lessees. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance.

This drilling permit will be valid for a period of one year from the date of approval. After permit termination, a new application will be filed for approval for any future operations.

B) Certification:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill-site and access route that I am familiar with the conditions which presently exist, that the statements made in this plan are, to the best

of my knowledge and belief, true and correct, and that the work associated with the operation proposed herein will be preformed by The Houston Exploration Company and its contractors and subcontractors in conformity with this plan and terms and conditions with this plan and the terms and conditions under which it is approved.

Date 10-7-05

William A. Ryan, Agent
Rocky Mountain Consulting

Onsite Dates:

Statement of use of Hazardous Materials

No chemical(s) from the EPA's consolidated list of Chemicals subject to Reporting under Title III of the Superfund Amendments and Reauthorization, Act (SARA) of 1986 will be used, produced, transported, stored, disposed, or associated with the proposed action. No extremely hazardous substances, as defined in 40 cfr 355, will be used, produced, stored, transported, disposed, or associated with the proposed action.

If you require additional information please contact:

William A Ryan
Agent for The Houston Exploration Company
Rocky Mountain Consulting
290 S 800 E
Vernal, UT 84078

435-789-0968 Office
435-828-0968 Cell
435-789-0970 Fax

THE HOUSTON EXPLORATION COMPANY

NORTH HORSESHOE #13-2-6-21

LOCATED IN UINTAH COUNTY, UTAH
SECTION 2, T6S, R21E, S.L.B.&M.

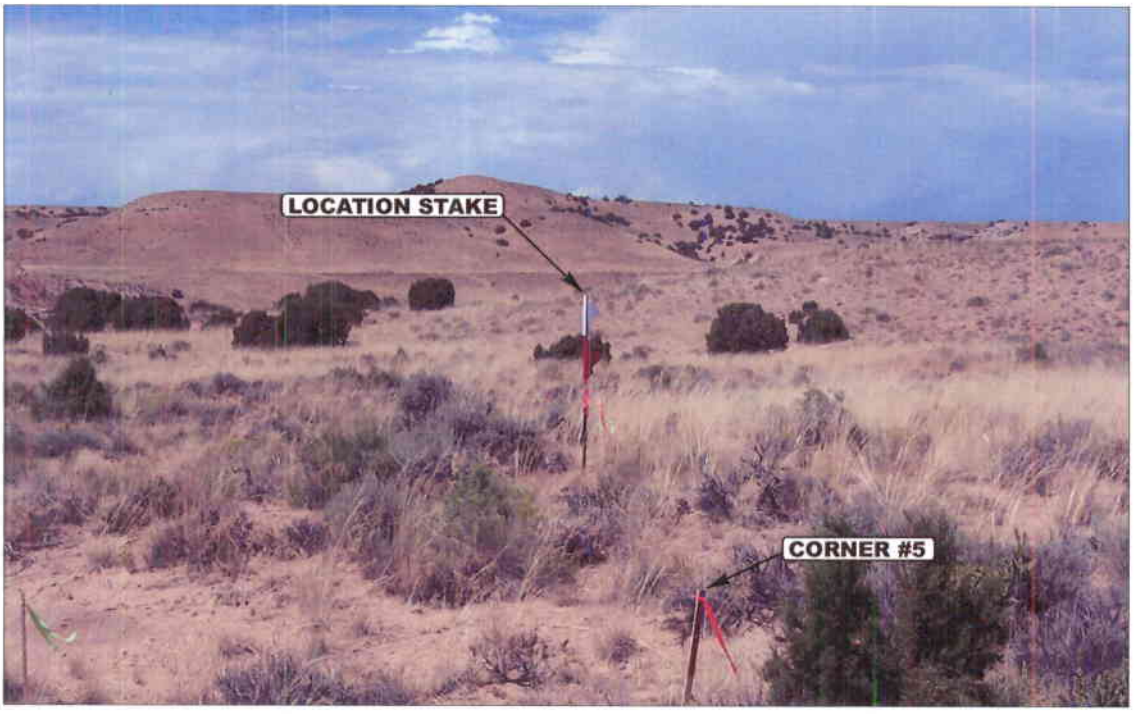


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHWESTERLY

- Since 1964 -
Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
435-789-1017 uels@uelsinc.com

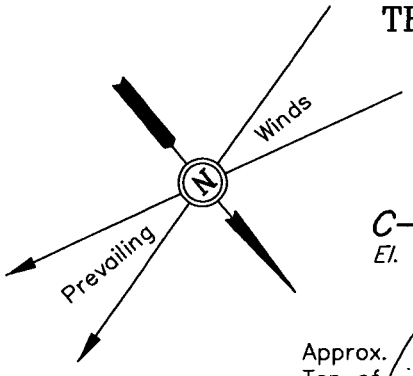
LOCATION PHOTO	11 MONTH	08 DAY	05 YEAR	PHOTO
TAKEN BY: N.H.	DRAWN BY: L.K.	REVISED: 00-00-00		

THE HOUSTON EXPLORATION COMPANY

LOCATION LAYOUT FOR

NORTH HORSESHOE #13-2-6-21
SECTION 2, T6S, R21E, S.L.B.&M.
781' FSL 688' FWL

FIGURE #1



SCALE: 1" = 50'
DATE: 11-10-05
Drawn By: P.M.

NOTE:
Flare Pit is to be located a min. of 100' from the Well Head.

C-1.8' El. 33.3'
F-9.2' El. 22.3'
Approx. Toe of Fill Slope
Topsoil Stockpile
Sta. 3+45
Approx. Top of Cut Slope
60'
F-2.1' El. 29.4'
Round Corners as needed
DATA
180'
C-4.2' El. 35.7'
CATWALK
90'
Pit Topsoil
PIPE RACKS
C-1.8' El. 33.3'
FLARE PIT
20' WIDE BENCH/DIKE
F-0.7' El. 30.8'
C-1.5' El. 33.0'
35'
40'
DOG HOUSE
135'
Sta. 1+65
F-3.6' El. 27.9'
El. 35.7'
C-16.2' (btm. pit)
75'
10'
35'
RIG
F-0.4' El. 31.1'
WATER
TRAILER
PUMP
MUD SHED
TOILET
Reserve Pit Backfill & Spoils Stockpile
15' WIDE BENCH
150'
Total Pit Capacity W/2' of Freeboard =12,540 Bbls ± Total Pit Volume = 3,390 Cu. Yrds
RESERVE PITS (12' Deep)
SLOPE = 1-1/2 : 1
MUD TANKS
HOPPER
POWER
TOOLS
FUEL
FUEL
STORAGE TANK
Sta. 0+43
C-5.5' El. 37.0'
165'
El. 36.5'
C-17.0' (btm. pit)
20' WIDE BENCH
25'
TRASH
C-7.1' El. 38.6'
Sta. 0+00
C-4.9' El. 36.4'
C-6.4' El. 37.9'
Proposed Access Road

REGISTERED LAND SURVEYOR No. 161319 STATE OF UTAH

NOTES:

Elev. Ungraded Ground At Loc. Stake = 5133.0'

FINISHED GRADE ELEV. AT LOC. STAKE = 5131.5'

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017

THE HOUSTON EXPLORATION COMPANY

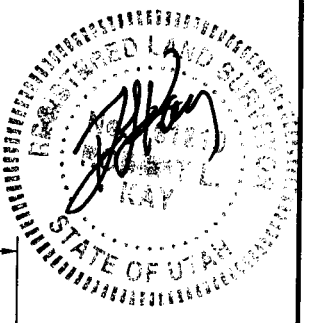
FIGURE #2

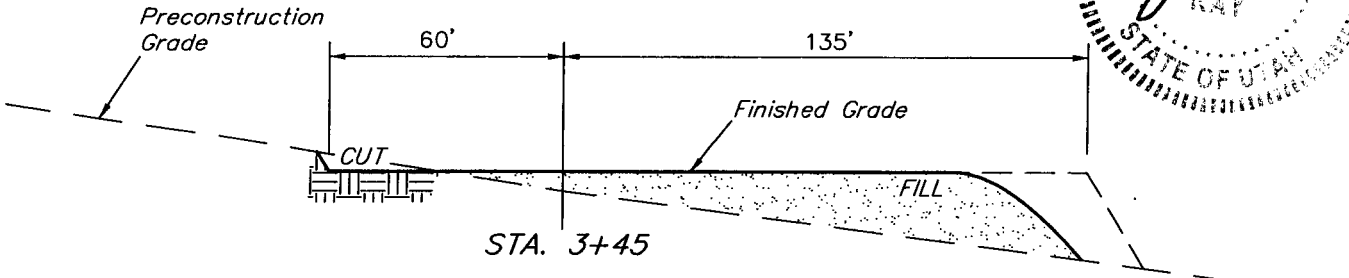
TYPICAL CROSS SECTIONS FOR
NORTH HORSESHOE #13-2-6-21
SECTION 2, T6S, R21E, S.L.B.&M.
781' FSL 688' FWL

1" = 20' X-Section Scale

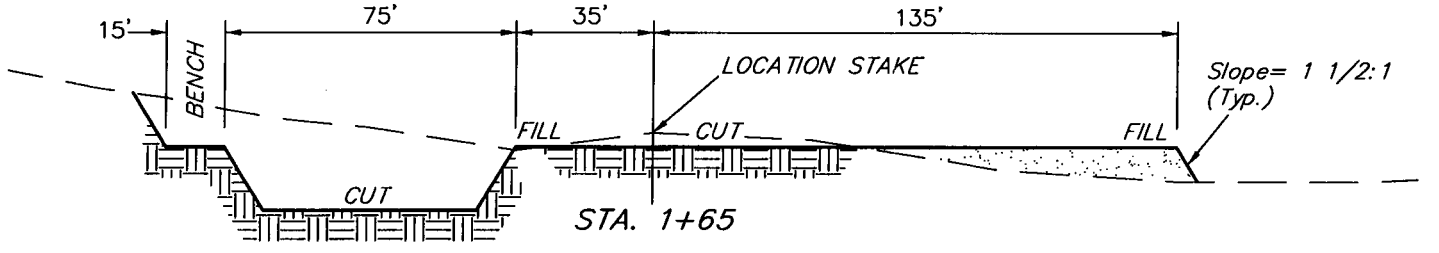
1" = 50'

DATE: 11-10-05
Drawn By: P.M.

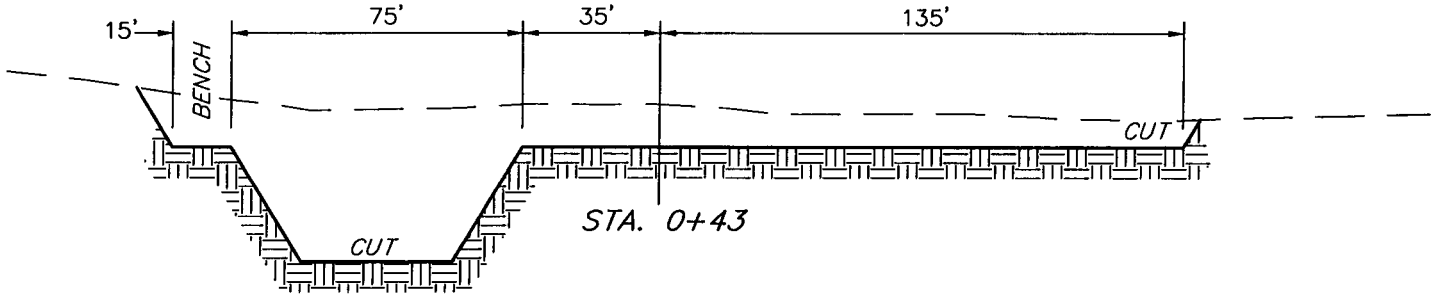




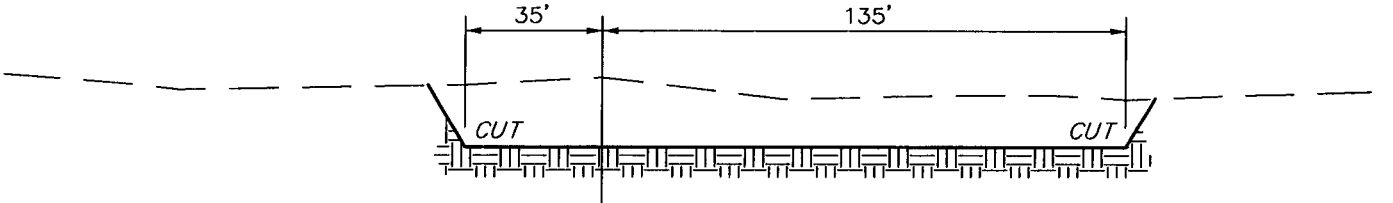
STA. 3+45



STA. 1+65



STA. 0+43



STA. 0+00

NOTE:
Topsoil should not be Stripped Below Finished Grade on Substructure Area.

* NOTE:
FILL QUANTITY INCLUDES 5% FOR COMPACTION

APPROXIMATE YARDAGES

CUT

(6") Topsoil Stripping	=	1,710	Cu. Yds.
Remaining Location	=	8,100	Cu. Yds.
TOTAL CUT	=	9,810	CU.YDS.
FILL	=	5,000	CU.YDS.

EXCESS MATERIAL	=	4,810	Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	=	3,410	Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	=	1,400	Cu. Yds.

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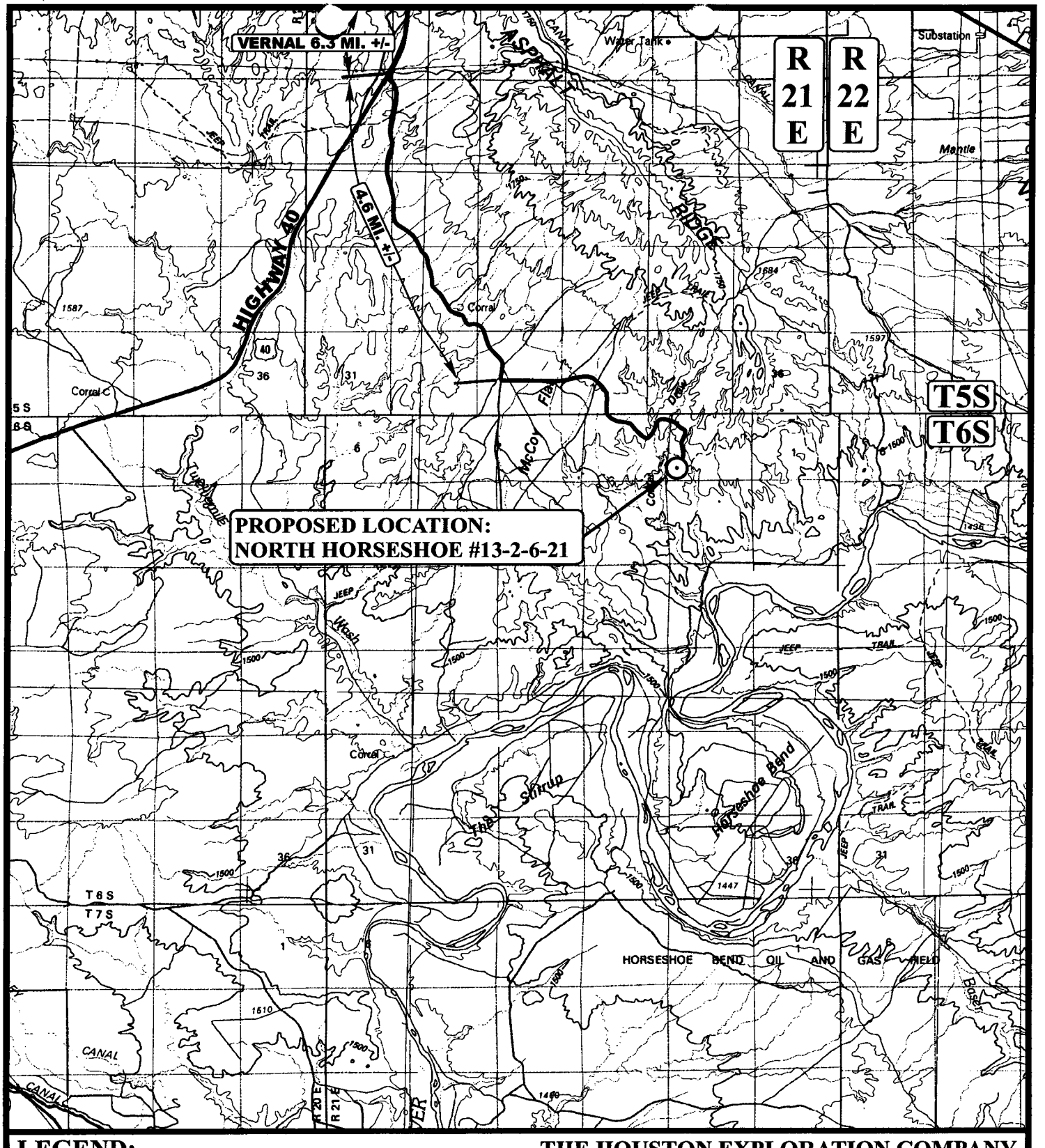


LEGEND:

⊙ PROPOSED LOCATION

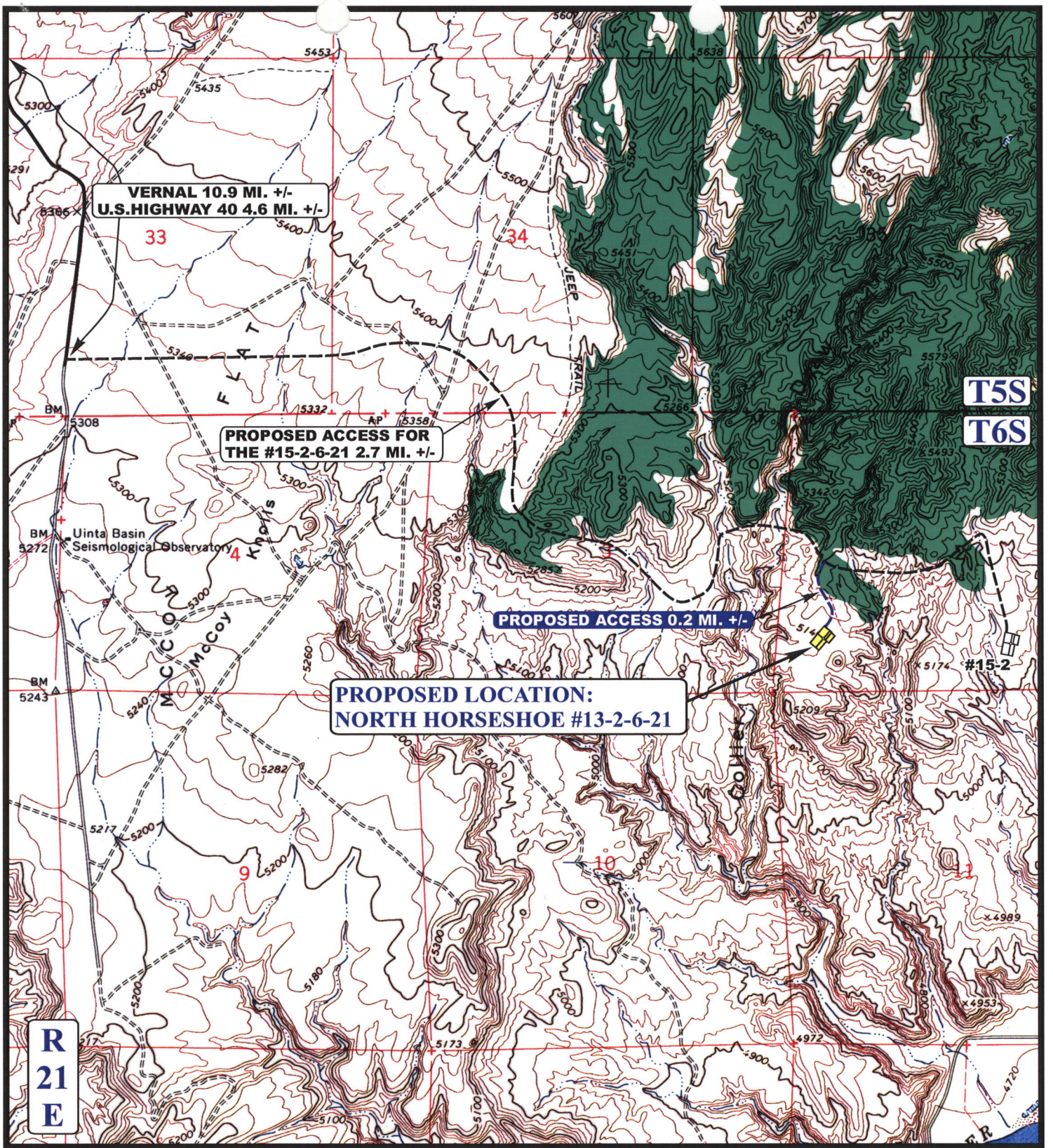
N

THE HOUSTON EXPLORATION COMPANY

NORTH HORSESHOE #13-2-6-21
SECTION 2, T6S, R21E, S.L.B.&M.
781' FSL 688' FEL

Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC MAP	11 MONTH	08 DAY	05 YEAR	A TOPO
SCALE: 1:100,000	DRAWN BY: L.K.	REVISED: 00-00-00		



LEGEND:

EXISTING ROAD

PROPOSED ACCESS ROAD

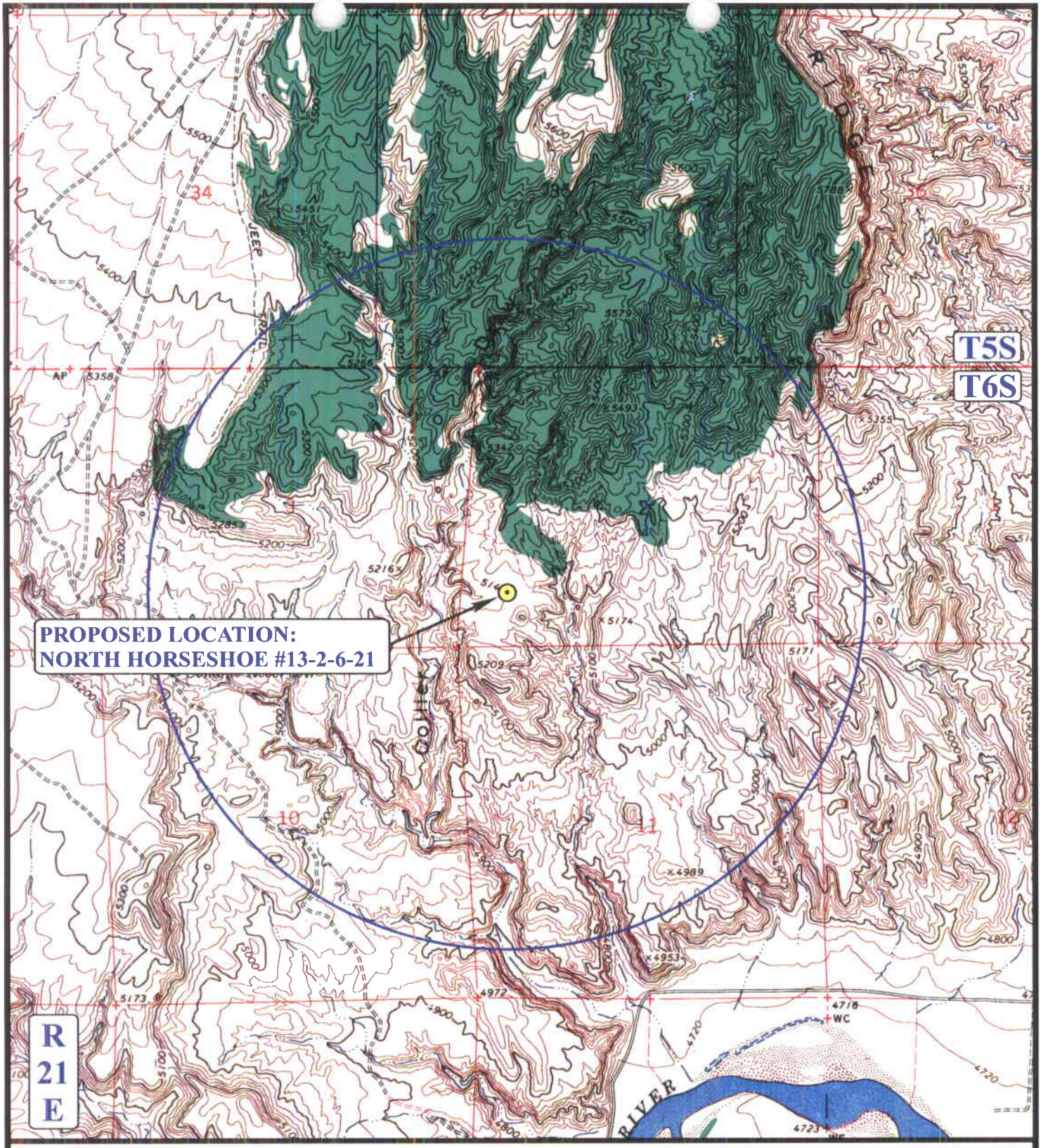
N

THE HOUSTON EXPLORATION COMPANY

NORTH HORSESHOE #13-2-6-21
SECTION 2, T6S, R21E, S.L.B.&M.
781' FSL 688' FEL

Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC MAP	11 MONTH	08 DAY	05 YEAR	B TOPO
SCALE: 1" = 2000'	DRAWN BY: L.K.	REVISED: 00-00-00		



LEGEND:

- DISPOSAL WELLS
- PRODUCING WELLS
- SHUT IN WELLS
- WATER WELLS
- ABANDONED WELLS
- TEMPORARILY ABANDONED

N

THE HOUSTON EXPLORATION COMPANY

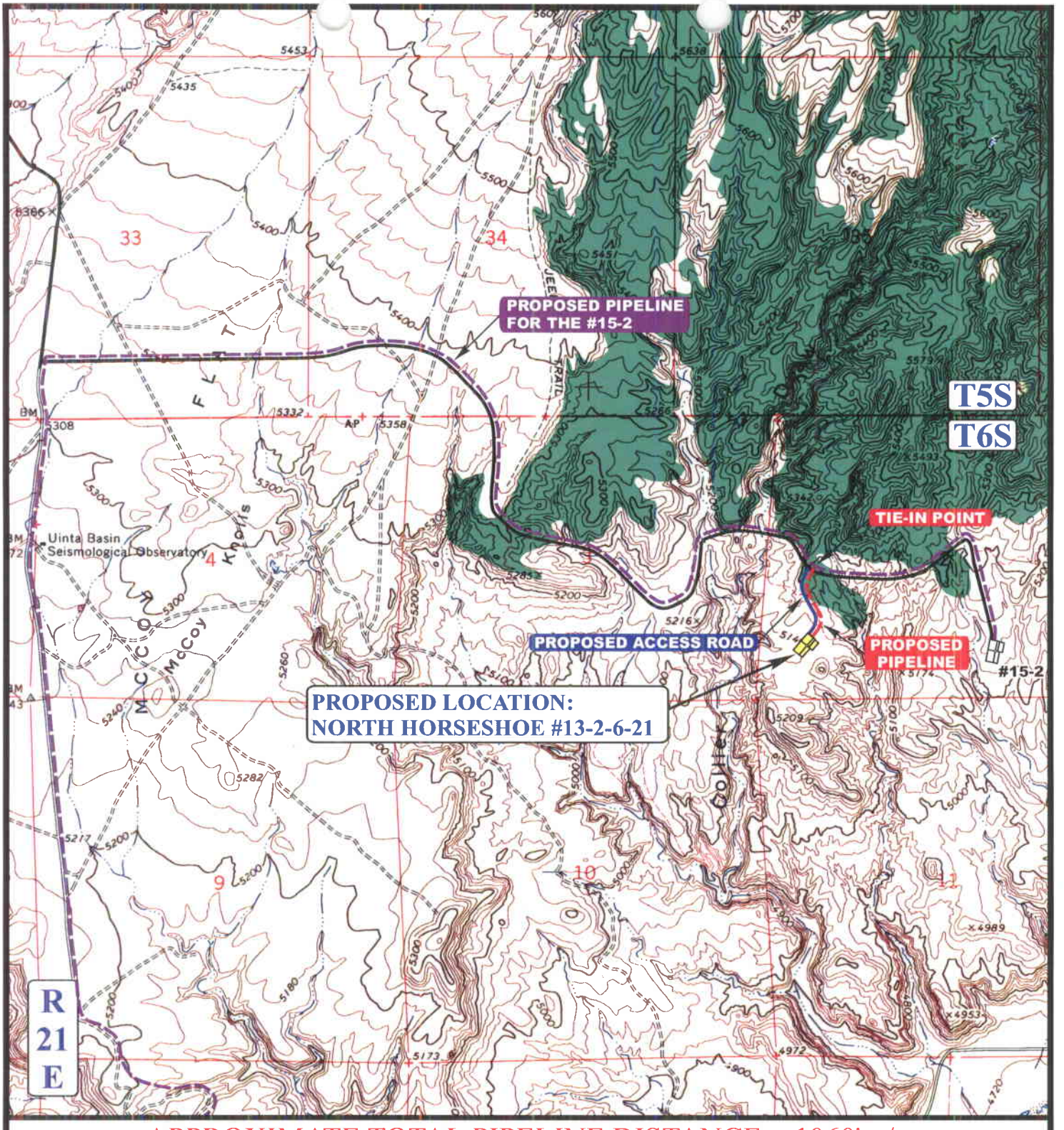
NORTH HORSESHOE #13-2-6-21
SECTION 2, T6S, R21E, S.L.B.&M.
781' FSL 688' FEL

Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC MAP | 11 MONTH | 08 DAY | 05 YEAR

SCALE: 1" = 2000' | DRAWN BY: L.K. | REVISED: 00-00-00

C TOPO



APPROXIMATE TOTAL PIPELINE DISTANCE = 1060' +/-

LEGEND:

- PROPOSED ACCESS ROAD
- EXISTING PIPELINE
- PROPOSED PIPELINE
- PROPOSED PIPELINE (SERVICING OTHER WELLS)

N

THE HOUSTON EXPLORATION COMPANY

NORTH HORSESHOE #13-2-6-21
SECTION 2, T6S, R21E, S.L.B.&M.
781' FSL 688' FEL

Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC MAP | 11 MONTH | 08 DAY | 05 YEAR

SCALE: 1" = 2000' | DRAWN BY: L.K. | REVISED: 00-00-00

D TOPO

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 12/09/2005

API NO. ASSIGNED: 43-047-37476

WELL NAME: N HORSESHOE 13-2-6-21
OPERATOR: HOUSTON EXPLORATION CO, (N2525)
CONTACT: BILL RYAN

PHONE NUMBER: 435-789-0968

PROPOSED LOCATION:
SWSW 02 060S 210E
SURFACE: 0781 FSL 0688 FWL
BOTTOM: 0781 FSL 0688 FWL
UINTAH
WILDCAT (1)

LEASE TYPE: 3 - State
LEASE NUMBER: ML-47549
SURFACE OWNER: 3 - State
PROPOSED FORMATION: MVRD
COALBED METHANE WELL? NO

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering	DKD	1/24/06
Geology		
Surface		

LATITUDE: 40.32292
LONGITUDE: -109.5302

RECEIVED AND/OR REVIEWED:

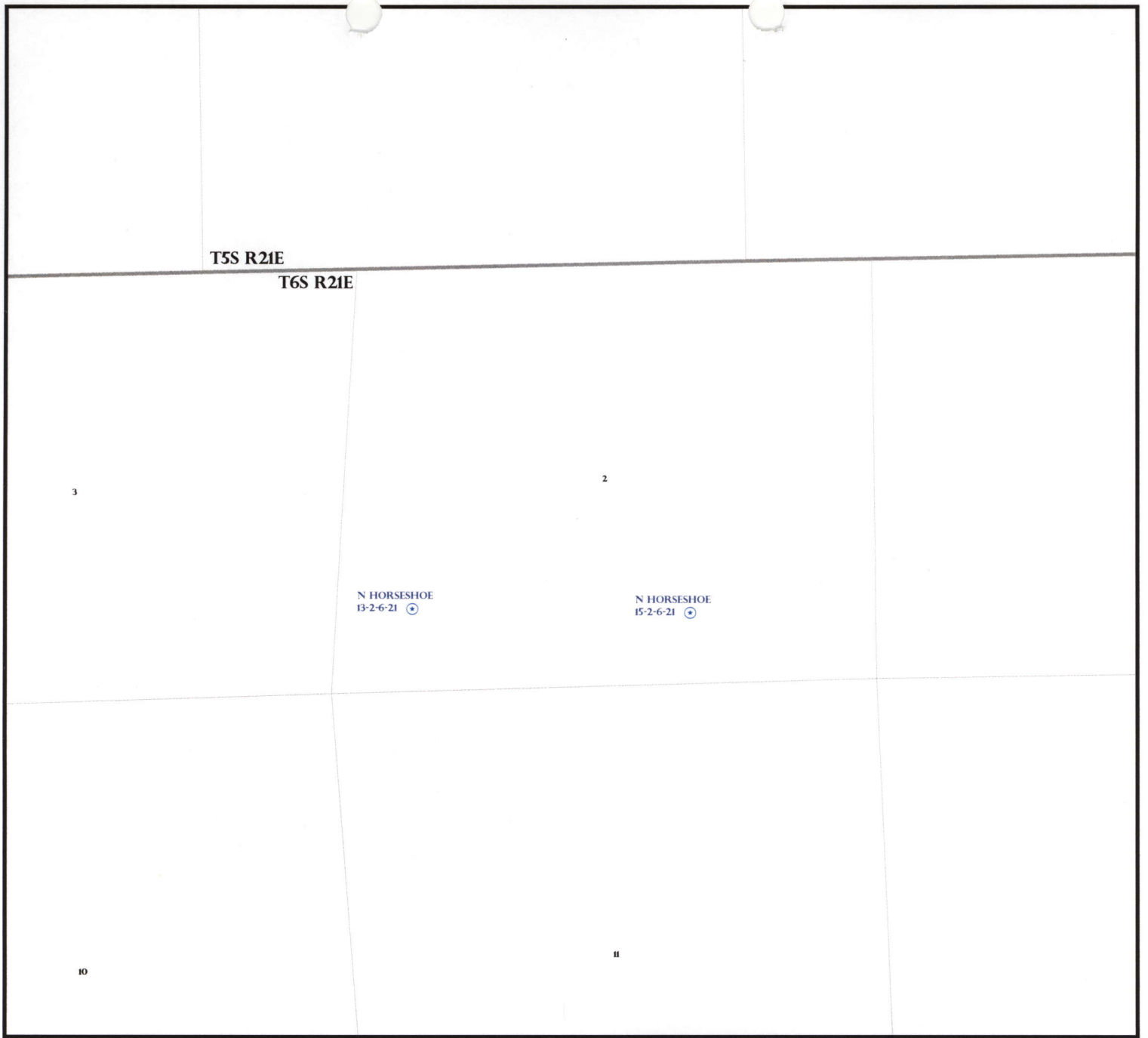
✓ Plat
✓ Bond: Fed[] Ind[] Sta[] Fee[]
(No. 104155044)
N Potash (Y/N)
N Oil Shale 190-5 (B) or 190-3 or 190-13
✓ Water Permit
(No. T-76073)
N RDCC Review (Y/N)
(Date: 12/28/2005)
N/A Fee Surf Agreement (Y/N)
N/A Intent to Commingle (Y/N)

LOCATION AND SITING:

___ R649-2-3.
Unit _____
✓ R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells
___ R649-3-3. Exception
___ Drilling Unit
Board Cause No: _____
Eff Date: _____
Siting: _____
___ R649-3-11. Directional Drill

COMMENTS: Needs Presite (01-10-06)

STIPULATIONS: 1- Spacing Stip
2- STATEMENT OF BASIS



OPERATOR: THE HOUSTON EXPL CO (N2525)

SEC: 2 T. 6S R. 21E

FIELD: WILDC AT (001)

COUNTY: UINTAH

SPACING: R649-3-2 / GENERAL SITING

Field Status
- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- PROPOSED
- STORAGE
- TERMINATED

Unit Status
- EXPLORATORY
- GAS STORAGE
- NF PP OIL
- NF SECONDARY
- PENDING
- PI OIL
- PP GAS
- PP GEOTHERML
- PP OIL
- SECONDARY
- TERMINATED

Wells Status
- GAS INJECTION
- GAS STORAGE
- LOCATION ABANDONED
- NEW LOCATION
- PLUGGED & ABANDONED
- PRODUCING GAS
- PRODUCING OIL
- SHUT-IN GAS
- SHUT-IN OIL
- TEMP. ABANDONED
- TEST WELL
- WATER INJECTION
- WATER SUPPLY
- WATER DISPOSAL
- DRILLING

Utah Oil Gas and Mining

N
W E
S

PREPARED BY: DIANA WHITNEY
DATE: 13-DECEMBER-2005

DIVISION OF OIL, GAS AND MINING
APPLICATION FOR PERMIT TO DRILL
STATEMENT OF BASIS

OPERATOR: THE HOUSTON EXPLORATION COMPANY
WELL NAME & NUMBER: NORTH HORSESHOE 13-2-6-21
API NUMBER: 43-047-37476
LOCATION: 1/4,1/4 SW/SW **SEC:** 2 **TWP:** 6S **RNG:** 21E, 781 FSL 688 FWL

Geology/Ground Water:

The Houston Ex. Co. proposes to set 2000 feet of surface casing cemented to the surface. The base of the moderately saline water is estimated at 5,100 feet. A search of Division of Water Rights records shows 3 water wells within a 10,000 foot radius of the center of Section 2. All wells are over a mile from the proposed location. Depths range from 20 to 200 feet and are listed as domestic use. The surface formation at this location is the Uinta Formation. The Uinta Formation is made up of discontinuous sands interbedded with shales and are not expected to produce prolific aquifers. The proposed surface casing should adequately protect any near surface aquifers.

Reviewer: Brad Hill **Date:** 01-17-06

Surface:

The predrill investigation of the surface was performed on 1/10/2006. Ben Williams with UDWR and Jim Davis with SITLA were invited to this investigation by email on 12/14/05. Mr. Williams sent notification that the UDWR would be represented by Chris Wood . Both Mr. Wood and Mr. Davis were in attendance. Mr. Bill Ryan a Consultant for Houston Exploration represented the operator.

Mr. Wood representing the UDWR stated the area is classified as high value yearlong habitat for antelope and limited value yearlong habitat for deer. He did not recommend any restriction periods or actions to the Operator or SITLA for these species. He stated no other wildlife species are expected to be significantly affected. Mr. Wood also gave Mr. Ryan and Mr. Davis, a UDWR recommended seed mix to be used when the reserve pit and location are reclaimed.

The access road to this location is lengthy (2.6 miles) and will require significant cuts and fills for a portion of the road. This road will also access the planned North Horseshoe #15-2-6-21 and potentially other wells in the area.

This site is on State surface, with State minerals, and appears to be the best site for a location in the immediate area.

Reviewer: Floyd Bartlett **Date:** 1/11/2006

Conditions of Approval/Application for Permit to Drill:

1. Submit plat showing the planned pipeline location.
2. Complete and submit Archeology survey.

~~ON~~-SITE PREDRILL EVALUATION
Division of Oil, Gas and Mining

OPERATOR: THE HOUSTON EXPLORATION COMPANY
WELL NAME & NUMBER: NORTH HORSESHOE 13-2-6-21
API NUMBER: 43-047-37476
LEASE: ML-47549 **FIELD/UNIT:** Undesignated
LOCATION: 1/4,1/4 SW/SW **SEC:** 2 **TWP:** 6S **RNG:** 21E, 781 FSL 688 FWL
LEGAL WELL SITING: 460 F **SEC. LINE;** 460 F **1/4,1/4 LINE;** 920 F **ANOTHER WELL.**
GPS COORD (UTM): 624875 E 4464425 N **SURFACE OWNER:** STATE OF UTAH (SITLA)

PARTICIPANTS

Floyd Bartlett (DOGM), Bill Ryan (Consultant for Houston Exploration), Chris Wood (UDWR) Gary Gerber (Stubbs & Stubbs Construction),

REGIONAL/LOCAL SETTING & TOPOGRAPHY

Section 2 is within an isolated area surrounded on the 3 sides by BLM lands with SITLA lands located to the north. The section is approximately 10 air miles south of Vernal and 1½ mile north of the Green River from the south section line. The Green River area is known as Horseshoe Bend. McCoy Flat and McCoy Knolls lie to the west of the section. McCoy Flat is a large gentle flat while McCoy knolls contain some deep ravines surrounded by benches or knolls. All drainages in the area are dry becoming ephemeral during spring runoff and intense summer storms. An occasional flat knoll separated by steep sided draws characterizes Section 2. Finding potential well locations without infringing on the adjacent ¼/¼ sections is difficult.

The proposed North Horseshoe 13-2-6-21 well lies on a relative flat bench or knoll, which slopes to the south. Topography is undulating or broken with some very small draws intersecting the location. To the west is a deep steep sided wash or draw. To the north are the steep south slopes of Asphalt Ridge. All drainages in the area are toward the Green River. The only perennial water in the area is in the Green River.

Access to the site from Highway 40 will be following the McCoy Flat Uinta Basin Seismological Observation Station (abandoned) paved road 4.6 miles then approximately 2.4 miles along a proposed access to be constructed to the 15-2-6-21 well then south .2 miles on a proposed road. The last 2 miles of the proposed road will require partial dugway construction along and across steep side slopes and across 2 or more major draws.

SURFACE USE PLAN

CURRENT SURFACE USE: Limited hunting and 4-wheeling.

PROPOSED SURFACE DISTURBANCE: Construct 2.6 miles of low standard road, road requiring significant cuts and side-casting and construction of a well location 345'x 210' plus reserve pit and soil stockpile storage outside the described area.

LOCATION OF EXISTING WELLS WITHIN A 1 MILE RADIUS: No existing wells but 2 are planned by this operator.

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: All production facilities will be on location and added after drilling the well. Pipeline as shown on Topo 'D' probably will be changed to go overland southwest to intercept wells in other sections then drop down to the road immediately north of the Green River. Houston Exploration will submit a Sundry Notice when the location has been determined and surveyed.

SOURCE OF CONSTRUCTION MATERIAL: All construction material will be borrowed from site during construction of location.

ANCILLARY FACILITIES: None will be required.

WILL DRILLING AT THIS LOCATION GENERATE PUBLIC INTEREST OR CONCERNS? EXPLAIN: Unlikely. Oilfield activity is common in general and the location is quite isolated from the general public.

WASTE MANAGEMENT PLAN:

Drilled cuttings will be settled into reserve pit. Liquids from pit will be allowed to evaporate. Formation water will be confined to storage tanks. Commercial contractor will handle sewage facilities, storage and disposal. Trash will be contained in trash baskets and hauled to an approved land fill.

ENVIRONMENTAL PARAMETERS

AFFECTED FLOODPLAINS AND/OR WETLANDS: None. The Green River floodplain is approximately 1 1/2 miles to the south.

FLORA/FAUNA: Proposed location is well vegetation with a desert type vegetation , which includes needle and thread grass, shadscale, rabbit brush, broom snakeweed, black sage and a few juniper.
Dominant fauna is pronghorn, rodents, songbirds, raptors, deer, bobcat, coyote, and small mammals.

SOIL TYPE AND CHARACTERISTICS: Deep sandy loam with no sandstone outcrops.

EROSION/SEDIMENTATION/STABILITY: No stability problems are anticipated with the construction and operation of the location. Access to the location is lengthy but if properly constructed and maintained, no stability or erosion issues should occur.

PALEONTOLOGICAL POTENTIAL: none observed.

RESERVE PIT

CHARACTERISTICS: 150' by 75' and 12' deep. The reserve pit is planned in an area of cut on the north east side of the location. No stabilization problems are expected.

LINER REQUIREMENTS (Site Ranking Form attached): Stability Level III. A liner is not required but the operator routinely installs a 16 mil liner to conserve water. Bill Ryan stated this would be the case on this well.

SURFACE RESTORATION/RECLAMATION PLAN

AS PER SITLA.

SURFACE AGREEMENT: AS PER SITLA.

CULTURAL RESOURCES/ARCHAEOLOGY: Not yet surveyed

OTHER OBSERVATIONS/COMMENTS

Chris Wood representing the UDWR stated the area is classified as high value yearlong habitat for antelope and limited value yearlong habitat for deer. He did not recommend any restrictions to the Operator or SITLA.

The access road to this location is lengthy and will require significant cuts and fills for a portion of the road.

ATTACHMENTS

Photos of site have been taken and placed on file.

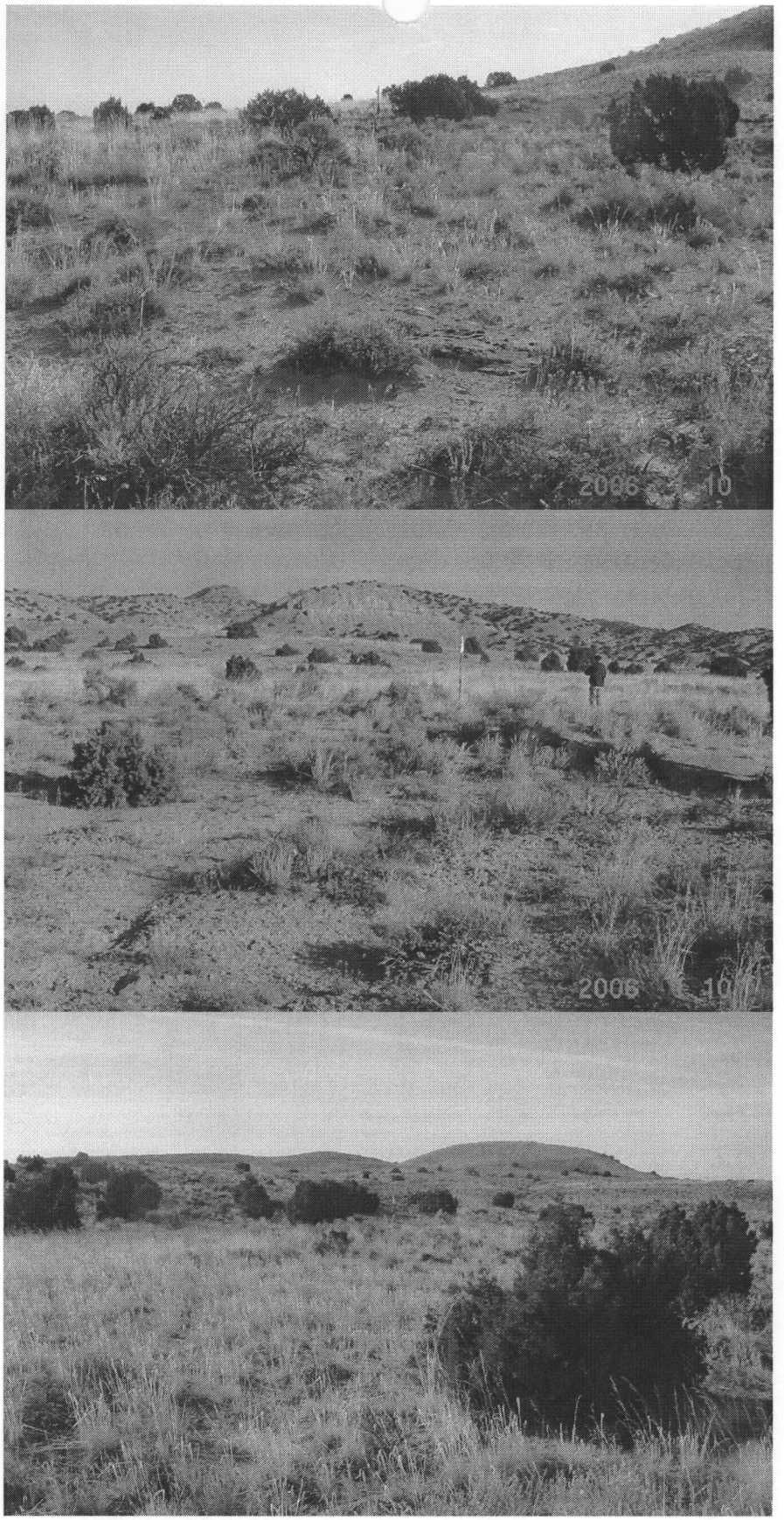
Floyd Bartlett	1/10/2005 10:20 PM
DOGM REPRESENTATIVE	DATE/TIME

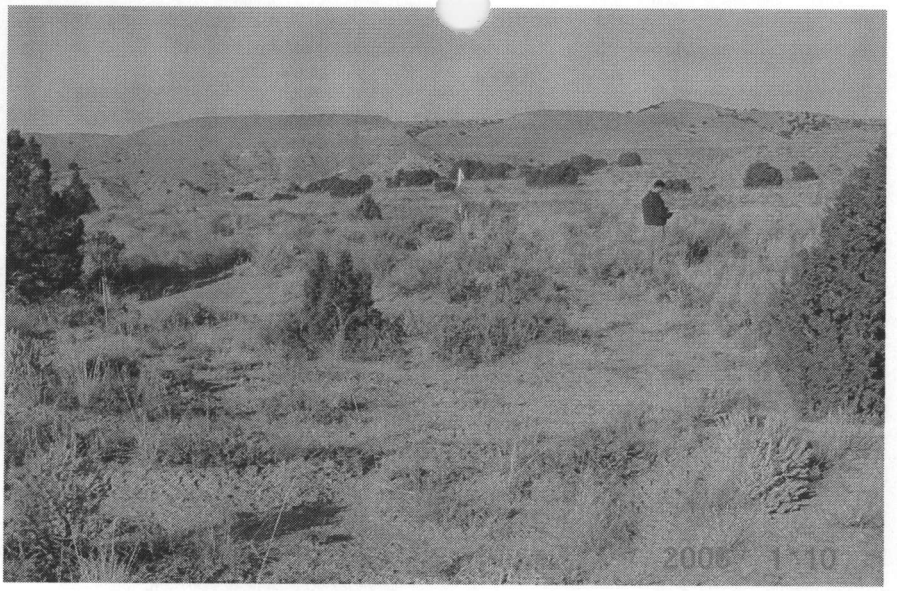
Evaluation Ranking Criteria and Ranking Score
For Reserve and Onsite Pit Liner Requirements

Site-Specific Factors	Ranking	Site Ranking
Distance to Groundwater (feet)		
>200	0	
100 to 200	5	
75 to 100	10	
25 to 75	15	0
<25 or recharge area	20	
Distance to Surf. Water (feet)		
>1000	0	
300 to 1000	2	
200 to 300	10	
100 to 200	15	
< 100	20	0
Distance to Nearest Municipal Well (feet)		
>5280	0	
1320 to 5280	5	
500 to 1320	10	
<500	20	0
Distance to Other Wells (feet)		
>1320	0	
300 to 1320	10	
<300	20	0
Native Soil Type		
Low permeability	0	
Mod. permeability	10	
High permeability	20	10
Fluid Type		
Air/mist	0	
Fresh Water	5	
TDS >5000 and <10000	10	
TDS >10000 or Oil Base Mud Fluid containing significant levels of hazardous constituents	15 20	5
Drill Cuttings		
Normal Rock	0	
Salt or detrimental	10	0
Annual Precipitation (inches)		
<10	0	
10 to 20	5	
>20	10	0
Affected Populations		
<10	0	
10 to 30	6	
30 to 50	8	
>50	10	0
Presence of Nearby Utility Conduits		
Not Present	0	
Unknown	10	
Present	15	0

Final Score 15 (Level III Sensitivity)

Sensitivity Level I = 20 or more; total containment is required.
Sensitivity Level II = 15-19; lining is discretionary.
Sensitivity Level III = below 15; no specific lining is required.


2006 10
2006 10

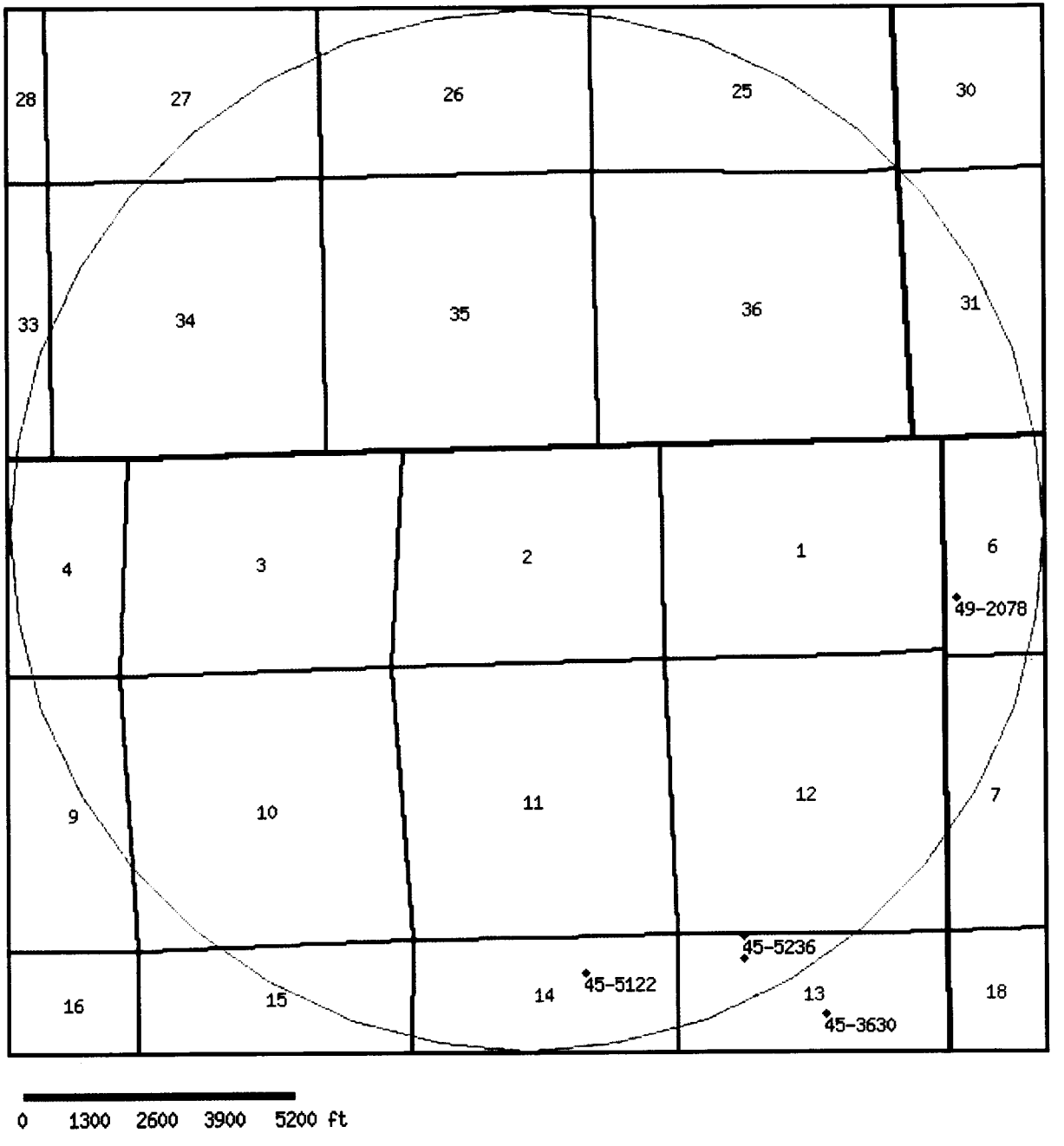

2006 1110

UTAH DIVISION OF WATER RIGHTS

WRPLAT Program Output Listing

Version: 2004.12.30.00 Rundate: 01/17/2006 10:47 AM

Radius search of 10000 feet from a point N2640 E2640 from the SW corner, section 02, Township 6S, Range 21E, SL b&m
Criteria:wrtypes=W,C,E podtypes=U status=U,A,P usetypes=all


28
27
26
25
30
33
34
35
36
31
4
3
2
1
6
49-2078
9
10
11
12
7
45-5236
16
15
14
45-5122
13
45-3630
18
0
1300
2600
3900
5200 ft

Water Rights

WR Number	Diversion Type/Location	Well Log	Status	Priority	Uses	CFS	ACFT	Owner Name
45-3630	Underground		P	19750418	DIS	0.015	0.000	. NED B. MITCHELL CONSTRUCTION INC.
	S1550 W2380 NE 13 6S 21E SL							P.O. BOX 186
45-4877	Underground		P	19810819	DIS	0.015	0.000	L. J. CUMMINGS
	S475 E1270 NW 13 6S 21E SL							5164 SOUTH 2000 WEST
45-5051	Underground		P	19820809	DIS	0.015	0.000	BOYD AND GEORGIA CHAMPION
	S30 E1274 NW 13 6S 21E SL							1933 WEST HORSESHOE BEND
45-5122	Underground		P	19831227	DIS	0.007	1.562	GARN & EDNA MASSEY
	S715 W1799 NE 14 6S 21E SL							2375 WEST HORSESHOE BEND ROAD
45-5236	Underground		P	19860317	DIS	0.015	0.000	FLORENCE L. & DONALD E. CULLUM
	S30 E1274 NW 13 6S 21E SL							1901 WEST HORSESHOE BEND
49-2078	Underground		P	19510426	DI	0.200	0.000	CHEVRON OIL COMPANY
	N1150 E230 SW 06 6S 22E SL							P.O. BOX 780

STATE ACTIONS
Resource Development Coordinating Committee
Governor's Office of Planning and Budget
5110 State Office Building
SLC, UT 84114
Phone No. 537-9230

1. State Agency	**2. Approximate date project will start:**
Oil, Gas and Mining 1594 West North Temple, Suite 1210 Salt Lake City, UT 84114-5801	Upon Approval or December 27, 2005

3. Title of proposed action:
Application for Permit to Drill

4. Description of Project:

The Houston Exploration Company proposes to drill the North Horseshoe 13-2-6-21 well (wildcat) on a State lease ML-47549, Uintah County, Utah. This action is being presented to the RDCC for consideration of resource issues affecting state interests. The Division of Oil, Gas and Mining is the primary administrative agency in this action and must issue approval before operations commence.

5. Location and detailed map of land affected (site location map required, electronic GIS map preferred)
(include UTM coordinates where possible) **(indicate county)**
781' FSL 688' FWL, SW/4 SW/4,
Section 2, Township 6 South, Range 21 East, Uintah County, Utah

6. Possible significant impacts likely to occur:
Surface impacts include up to five acres of surface disturbance during the drilling and completion phase (estimated for five weeks duration). If oil and gas in commercial quantities is discovered, the location will be reclaimed back to a net disturbance of between one and two acres – not including road, pipeline, or utility infrastructure. If no oil or gas is discovered, the location will be completely reclaimed.

7. Identify local government affected
a. Has the government been contacted? No.
b. When?
c. What was the response?
d. If no response, how is the local government(s) likely to be impacted?

8. For acquisitions of land or interests in land by DWR or State Parks please identify state representative and state senator for the project area. Name and phone number of state representative, state senator near project site, if applicable:
a. Has the representative and senator been contacted? N/A

9. Areawide clearinghouse(s) receiving state action: (to be sent out by agency in block 1)
Uintah Basin Association of Governments

10. For further information, contact:	**11. Signature and title of authorized officer**
Diana Whitney **Phone:** (801) 538-5312	Gil Hunt, Associate Director **Date:** December 13, 2005

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT ☐
(highlight changes)

APPLICATION FOR PERMIT TO DRILL

5. MINERAL LEASE NO: ML-47549	6. SURFACE: State
1A. TYPE OF WORK: DRILL ☑ REENTER ☐ DEEPEN ☐	7. IF INDIAN, ALLOTTEE OR TRIBE NAME:
B. TYPE OF WELL: OIL ☐ GAS ☑ OTHER _____ SINGLE ZONE ☐ MULTIPLE ZONE ☑	8. UNIT or CA AGREEMENT NAME:
2. NAME OF OPERATOR: The Houston Exploration Company	9. WELL NAME and NUMBER: North Horseshoe 13-2-6-21
3. ADDRESS OF OPERATOR: 1100 Louisiana, Suite 20 CITY Houston STATE TX ZIP 77002 PHONE NUMBER: (713) 830-6800	10. FIELD AND POOL, OR WILDCAT: Undisignated
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 781' FSL & 688' FWL 624875X 4464425Y 40.322919 -109.530191 AT PROPOSED PRODUCING ZONE: Same as above.	11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSW 2 T6S 21E
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 13.8 miles south of Vernal, UT	12. COUNTY: Uintah 13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET): 688'	16. NUMBER OF ACRES IN LEASE: 640
17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET): 2,600'	19. PROPOSED DEPTH: 9,400
20. BOND DESCRIPTION: 104155044	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 5,132' GR	22. APPROXIMATE DATE WORK WILL START: 1/15/2006
23. ESTIMATED DURATION: 30 Days	

24. **PROPOSED CASING AND CEMENTING PROGRAM**

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT			
11"	9 5/8 J-55 36#	2,000	Premium Lite II	250 SKS	3.38 CF	11.0 PPG
			CLASS "G"	329 SKS	1.2 CF	15.6 PPG
			Calcium Chloride	200 SKS	1.10 CF	15.6 PPG
7 7/8	4 1/2 N-80 11.6#	9,400	Premium Lite II	200 SKS	3.3 CF	11.0 PPG
			CLASS "G"	400 SKS	1.56 CF	14.3 PPG

25. **ATTACHMENTS**

CONFIDENTIAL

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:

- ☑ WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER
- ☑ EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER
- ☑ COMPLETE DRILLING PLAN
- ☐ FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

NAME (PLEASE PRINT) William A Ryan TITLE Agent

SIGNATURE William A Ryan DATE 12-7-05

(This space for State use only)

RECEIVED
DEC 09 2005
DIV. OF OIL, GAS & MINING

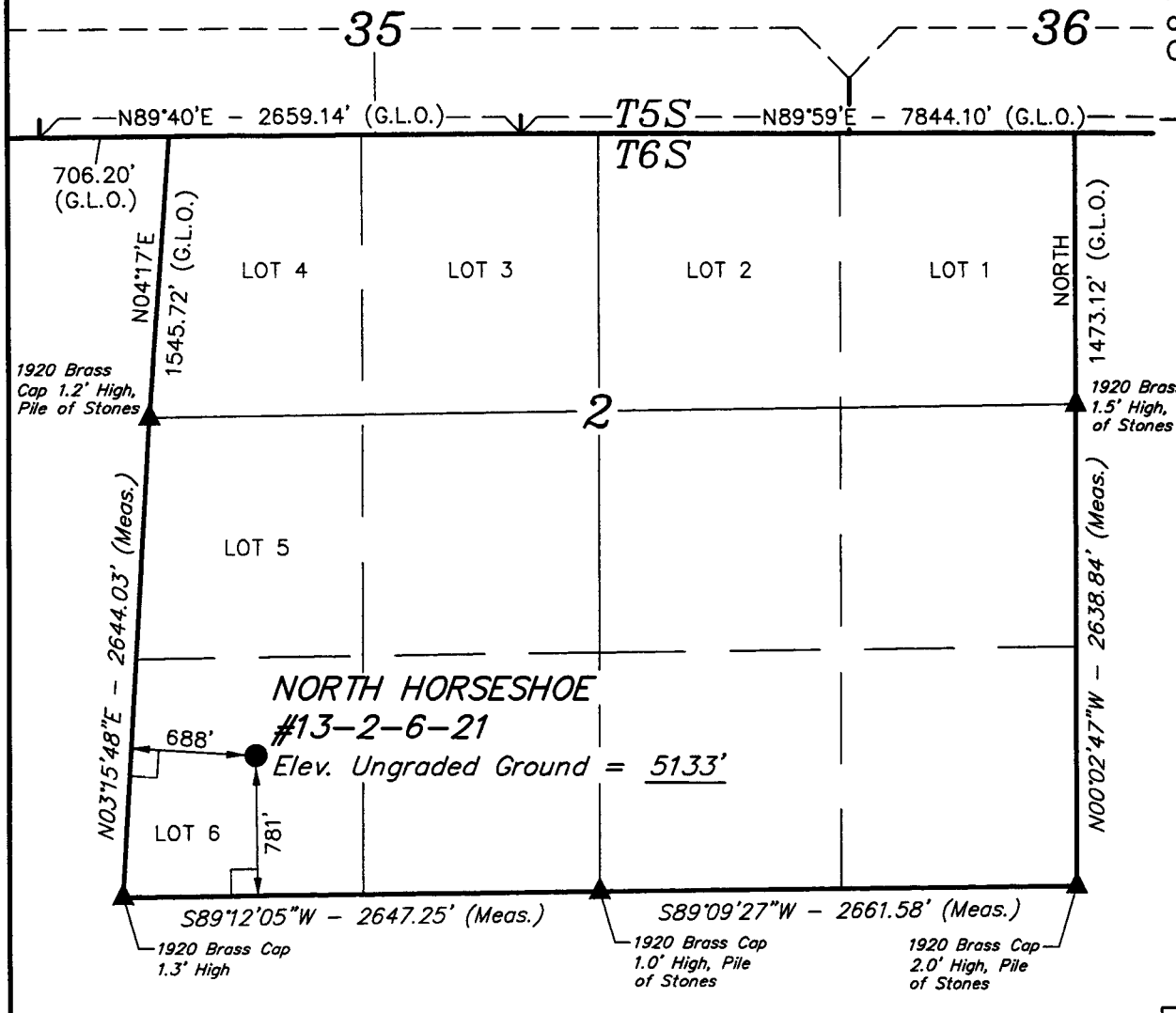
API NUMBER ASSIGNED: 43-047-37476 APPROVAL:

(11/2001) (See Instructions on Reverse Side)

THE HOUSTON EXPLORATION COMPANY

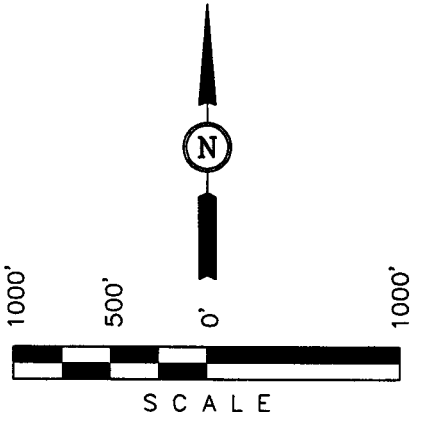
Well location, NORTH HORSESHOE #13-2-6-21, located as shown in the SW 1/4 SW 1/4 (LOT 6) of Section 2, T6S, R21E, S.L.B.&M. Uintah County, Utah.

T6S, R21E, S.L.B.&M.



BASIS OF ELEVATION

SPOT ELEVATION AT THE NORTHWEST CORNER OF SECTION 3, T6S, R21E, S.L.B.&M. TAKEN FROM THE VERNAL SE, UTAH, UINTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5358 FEET.



CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

KAY
REGISTERED LAND SURVEYOR
REGISTRATION NO. 161319
STATE OF UTAH

BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.

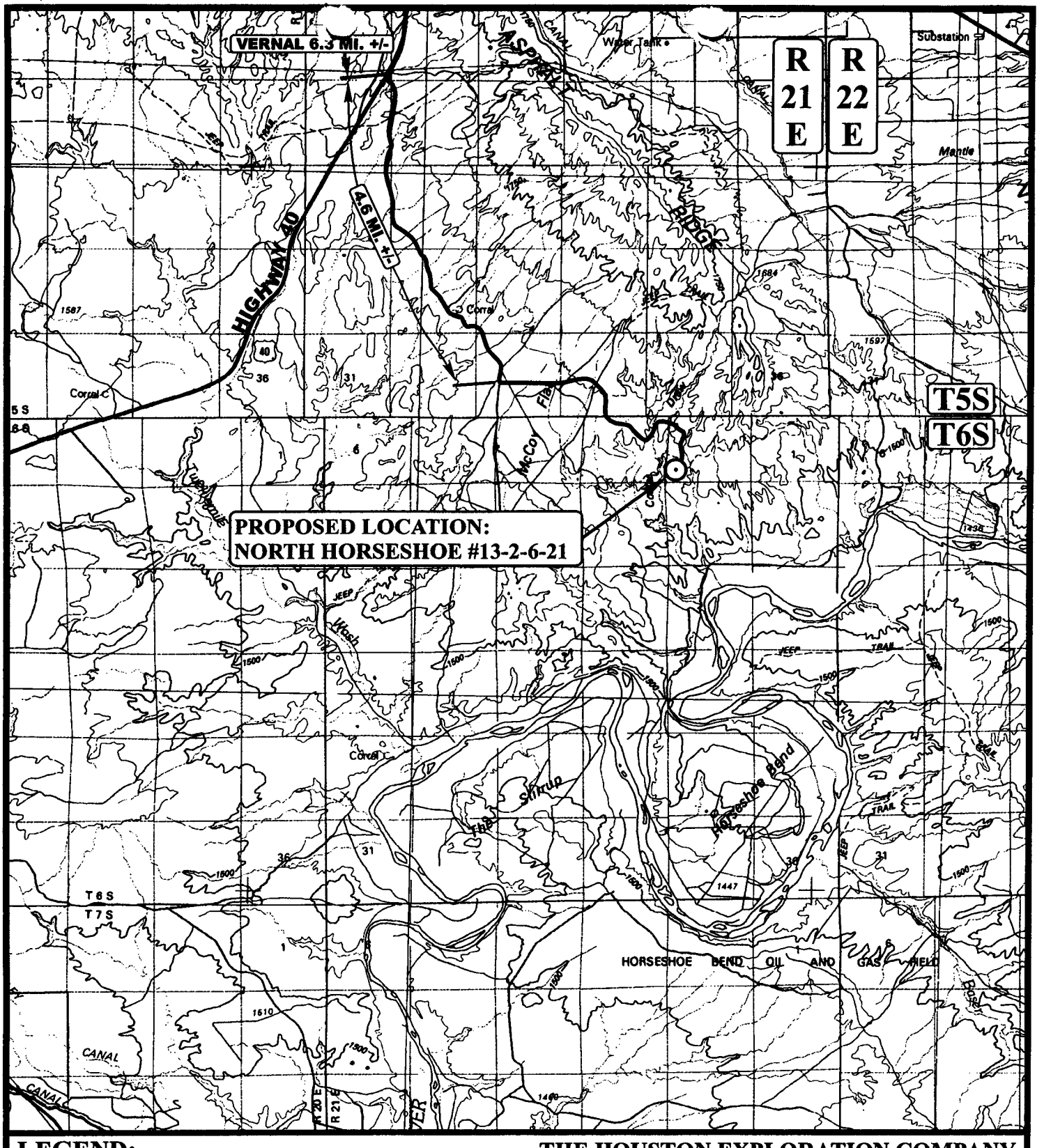
(AUTONOMOUS NAD 83)
LATITUDE = 40°19'22.27" (40.322853)
LONGITUDE = 109°31'51.76" (109.531044)
(AUTONOMOUS NAD 27)
LATITUDE = 40°19'22.41" (40.322892)
LONGITUDE = 109°31'49.27" (109.530353)

LEGEND:

└ = 90° SYMBOL
● = PROPOSED WELL HEAD.
▲ = SECTION CORNERS LOCATED.

UINTAH ENGINEERING & LAND SURVEYING
85 SOUTH 200 EAST - VERNAL, UTAH 84078
(435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 11-04-05	DATE DRAWN: 11-10-05
PARTY N.H. D.S. P.M.	REFERENCES G.L.O. PLAT	
WEATHER COOL	FILE THE HOUSTON EXPLORATION COMPANY	



LEGEND:

⊙ PROPOSED LOCATION

N

THE HOUSTON EXPLORATION COMPANY

NORTH HORSESHOE #13-2-6-21
SECTION 2, T6S, R21E, S.L.B.&M.
781' FSL 688' FEL

Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC MAP	11 MONTH	08 DAY	05 YEAR	A TOPO
SCALE: 1:100,000	DRAWN BY: L.K.	REVISED: 00-00-00		

Project Number: 6027 Sponsor: Division of Oil, Gas and Mining
SLB&M: Sec. 2, T6S, R21E Counties Affected: Uintah
Description: Application for Permit to Drill - proposal to drill a wildcat

Comments:
Well must be sited, drilled, and managed to prevent degradation of water quality through measures to limit erosion, limit stormwater runoff, and limit pollutant loading to runoff.

1- Wellpad placement or expansion disturbs soils. Vegetative and/or structural measures to control erosion should be implemented within 60 days of initial soil disturbance to prevent erosion leaving the site from exceeding the tolerable rate as determined by the local office of USDA/NRCS.
2- If vegetation surrounding the wellpad does not provide at least 60% ground cover within 60 days of creating the wellpad, engineering practices should be implemented within those 60 days to control erosion. Such engineering measures may include mulching, use of fiber mats, cross slope trenching, contour furrows, rock dams, terracing or such other erosion control practices as are required to prevent erosion from exceeding the tolerable rate.
3- No disturbance or degradation to or of surrounding or nearby soils, native or beneficial vegetation, or riparian areas should be permitted.
4- In addition, no spills nor runoff of chemicals including hydrocarbons, lubricants, salt water, antifreeze, or other potentially damaging materials should be permitted.

THEC
6027

MEMORANDUM

DATE: December 20, 2005

N Horseshoe
13-2-6-21

TO: Utah Division of Oil, Gas and Mining

CC: Resource Development Coordinating Committee

FROM: Utah Geological Survey Ground Water & Paleontology Program

SUBJECT: UGS comments on RDCC short turn around items 6018, 6019, 6020, 6021, 6022, 6025, 6027, and 6028.

6018. Division of Oil, Gas and Mining
Short Turn Around Drilling Permit
Sec. 32, T8S, R25E, Uintah County
Application for Permit to Drill - proposal to drill a wildcat well the Hacking Reservoir 11-32-8-25 on a State lease ML-11124

Although there are no paleontological localities recorded in our files for this project area, the Eocene Uinta Formation that is exposed here has the potential for yielding significant vertebrate fossil localities. The office of the State Paleontologist therefore recommends that a paleontological evaluation be conducted for this project.

6019. Division of Oil, Gas and Mining
Short Turn Around Drilling Permit
Sec. 32, T8S, R25E, Uintah County
Application for Permit to Drill - proposal to drill a wildcat well the Hacking Reservoir 3-32-8-25 on a State lease ML-11124

Although there are no paleontological localities recorded in our files for this project area, the Eocene Uinta Formation that is exposed here has the potential for yielding significant vertebrate fossil localities. The office of the State Paleontologist therefore recommends that a paleontological evaluation be conducted for this project.

6020. Division of Oil, Gas and Mining
Short Turn Around Drilling Permit
Sec. 32, T8S, R25E, Uintah County
Application for Permit to Drill - proposal to drill a wildcat well the Hacking Reservoir 5-

32-8-25 on a State lease ML-11124

Although there are no paleontological localities recorded in our files for this project area, the Eocene Uinta Formation that is exposed here has the potential for yielding significant vertebrate fossil localities. The office of the State Paleontologist therefore recommends that a paleontological evaluation be conducted for this project.

6021. Division of Oil, Gas and Mining
Short Turn Around Drilling Permit
Sec. 32, T8S, R25E, Uintah County
Application for Permit to Drill - proposal to drill a wildcat well the Hacking Reservoir 15-32-8-25 on a State lease ML-11124

Although there are no paleontological localities recorded in our files for this project area, the Eocene Uinta Formation that is exposed here has the potential for yielding significant vertebrate fossil localities. The office of the State Paleontologist therefore recommends that a paleontological evaluation be conducted for this project.

6022. Division of Oil, Gas and Mining
Short Turn Around Drilling Permit
Sec. 32, T8S, R25E, Uintah County
Application for Permit to Drill - proposal to drill a wildcat well the Hacking Reservoir 9-32-8-25 on a State lease ML-11124

Although there are no paleontological localities recorded in our files for this project area, the Eocene Uinta Formation that is exposed here has the potential for yielding significant vertebrate fossil localities. The office of the State Paleontologist therefore recommends that a paleontological evaluation be conducted for this project.

6025. Division of Oil, Gas and Mining
Short Turn Around Drilling Permit
Sec. 8, T29S, R24E, San Juan County
Application for Permit to Drill - proposal to drill a wildcat well the NW Bullhorn 8-31 on a Fee lease Fee

Although there are no paleontological localities recorded in our files for this project area, the Early Cretaceous Burro Canyon that is exposed here has the potential for yielding significant vertebrate fossil localities. The office of the State Paleontologist therefore recommends that a paleontological evaluation be conducted for this project.

6027. Division of Oil, Gas and Mining

Short Turn Around Drilling Permit
Sec. 2, T6S, R21E, Uintah County
Application for Permit to Drill - proposal to drill a wildcat well the North Horseshoe 13-2-6-21 on a State lease ML-47549

Although there are no paleontological localities recorded in our files for this project area, the Eocene Duchesne River Formation that is exposed here has the potential for yielding significant vertebrate fossil localities. The office of the State Paleontologist therefore recommends that a paleontological evaluation be conducted for this project.

6028. Division of Oil, Gas and Mining
Short Turn Around Drilling Permit
Sec. 2, T6S, R21E, Uintah County
Application for Permit to Drill - proposal to drill a wildcat well the North Horseshoe 15-2-6-21 on a State lease ML-47549

Although there are no paleontological localities recorded in our files for this project area, the Eocene Duchesne River Formation that is exposed here has the potential for yielding significant vertebrate fossil localities. The office of the State Paleontologist therefore recommends that a paleontological evaluation be conducted for this project.

From: Robert Clark
To: Whitney, Diana
Date: 12/20/2005 4:08:49 PM
Subject: RDCC comments

The following comments on **RDCC #6018 - 6028** are being sent directly to DOG&M due to their short turn around times.

RDCC #6018 - 6022, #6027, & #6028, comments begin: The proposed Houston Exploration well drilling projects in Uintah County may require permits, known as Approval Orders, from the Utah Division of Air Quality if any compressor stations are constructed at the sites. A permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 N. 1950 West, SLC, UT, 84116 for review according to the Utah Air Quality Rule R307-401. Permit: Notice of Intent and Approval Order. The proposed projects are also subject to Utah Air Quality Rule R307-205-3, Fugitive Dust, due to the fugitive dust that is generated during the excavating phases of the projects. These rules apply to construction activities that disturb an area greater than 1/4 acre in size. A permit, known as an Approval Order, is not required from the Division of Air Quality, but steps need to be taken to minimize fugitive dust, such as, watering and/or chemical stabilization, providing vegetative or synthetic cover and windbreaks. A copy of the rules may be found at www.rules.utah.gov/publicat/code/r307/r307.htm . **Comments end.**

RDCC #6023, #6025, & #6026, comments begin: The proposed Cabot Oil and Gas well drilling projects in San Juan County may require permits, known as Approval Orders, from the Utah Division of Air Quality if any compressor stations are constructed at the sites. A permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 N. 1950 West, SLC, UT, 84116 for review according to the Utah Air Quality Rule R307-401. Permit: Notice of Intent and Approval Order. The proposed projects are also subject to Utah Air Quality Rule R307-205-3, Fugitive Dust, due to the fugitive dust that is generated during the excavating phases of the projects. These rules apply to construction activities that disturb an area greater than 1/4 acre in size. A permit, known as an Approval Order, is not required from the Division of Air Quality, but steps need to be taken to minimize fugitive dust, such as, watering and/or chemical stabilization, providing vegetative or synthetic cover and windbreaks. A copy of the rules may be found at www.rules.utah.gov/publicat/code/r307/r307.htm . **Comments end.**

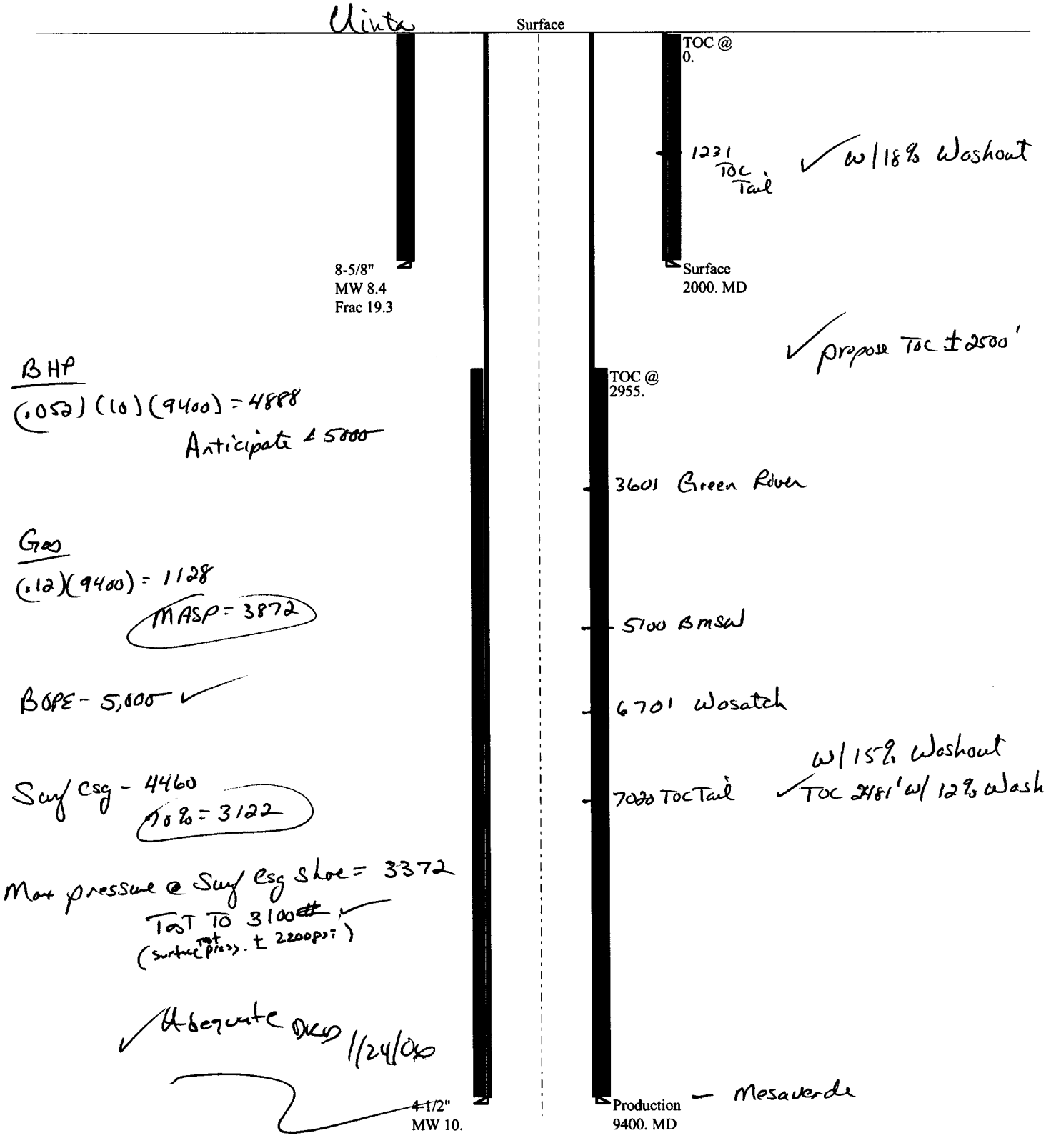
RDCC #6024, comments begin: The proposed Delta Petroleum well drilling project in Grand County may require a permit, known as Approval Order, from the Utah Division of Air Quality if any compressor stations are constructed at the site. A permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 N. 1950 West, SLC, UT, 84116 for review according to the Utah Air Quality Rule R307-401. Permit: Notice of Intent and Approval Order. The proposed project is also subject to Utah Air Quality Rule R307-205-3, Fugitive Dust, due to the fugitive dust that is generated during the excavating phases of the project. These rules apply to construction activities that disturb an area greater than 1/4 acre in size. A permit, known as an Approval Order, is not required from the Division of Air Quality, but steps need to be taken to minimize fugitive dust, such as, watering and/or chemical stabilization, providing vegetative or synthetic cover and windbreaks. A copy of the rules may be found at www.rules.utah.gov/publicat/code/r307/r307.htm . **Comments end.**

Robert Clark
Utah Division of Air Quality
536-4435

CC: Mcneill, Dave; Wright, Carolyn

1-06 Houston N Horseshoe 1 2-6-21

Casing Schematic



Well name:	**01-06 Houston N Horseshoe 13-2-6-21**
Operator:	**Houston Exploration Company**
String type:	Surface
Project ID:	43-047-37476
Location:	Uintah County

Design parameters:

Collapse
Mud weight: 8.400 ppg
Design is based on evacuated pipe.

Burst
Max anticipated surface pressure: 1,760 psi
Internal gradient: 0.120 psi/ft
Calculated BHP 2,000 psi

No backup mud specified.

Minimum design factors:

Collapse:
Design factor 1.125

Burst:
Design factor 1.00

Tension:
8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Tension is based on buoyed weight.
Neutral point: 1,749 ft

Environment:
H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 93 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 250 ft

Cement top: 0 ft

Non-directional string.

Re subsequent strings:
Next setting depth: 9,400 ft
Next mud weight: 10.000 ppg
Next setting BHP: 4,883 psi
Fracture mud wt: 19.250 ppg
Fracture depth: 2,000 ft
Injection pressure 2,000 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft^3)
1	2000	8.625	36.00	J-55	ST&C	2000	2000	7.7	143.5

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	873	3450	3.954	2000	4460	2.23	63	434	6.89 J

Prepared by: Clinton Dworshak, Utah Div. of Oil & Mining
Phone: 801-538-5280
FAX: 810-359-3940
Date: January 19,2006
Salt Lake City, Utah

Remarks:
Collapse is based on a vertical depth of 2000 ft, a mud weight of 8.4 ppg The casing is considered to be evacuated for collapse purposes.
Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

Well name:	**01-06 Houston N Horseshoe 13-2-6-21**
Operator:	**Houston Exploration Company**
String type:	Production
Project ID:	43-047-37476
Location:	Uintah County

Design parameters:

Collapse
Mud weight: 10.000 ppg
Design is based on evacuated pipe.

Burst
Max anticipated surface pressure: 3,755 psi
Internal gradient: 0.120 psi/ft
Calculated BHP 4,883 psi

No backup mud specified.

Minimum design factors:

Collapse:
Design factor 1.125

Burst:
Design factor 1.00

Tension:
8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Tension is based on buoyed weight.
Neutral point: 7,995 ft

Environment:
H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 197 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 1,500 ft

Cement top: 2,955 ft

Non-directional string.

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft^3)
1	9400	4.5	11.60	N-80	LT&C	9400	9400	3.875	217.9

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	4883	6350	1.300	4883	7780	1.59	93	223	2.40 J

Prepared by: Clinton Dworshak, Utah Div. of Oil & Mining
Phone: 801-538-5280
FAX: 810-359-3940
Date: January 19,2006
Salt Lake City, Utah

Remarks:
Collapse is based on a vertical depth of 9400 ft, a mud weight of 10 ppg The casing is considered to be evacuated for collapse purposes.
Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

From: Ed Bonner
To: Whitney, Diana
Date: 6/27/2006 10:17:58 AM
Subject: Well Clerance

The following wells have been given cultural resource clearance by the Trust Lands Cultural Resources Group:

Dominion E&P, Inc
- LCU 1-2H

Enduring Resources, LLC
- Rock House 10-23-23-32
- Rock House 11-23-11-2

EOG Resources, Inc
- Big Spring 3-36 GR
- East Chapita 30-16

The Houston Exploration Company
- North Horseshoe 1-16-6-21
- North Horseshoe 13-16-6-21
- North Horseshoe 13-2-6-21
- North Horseshoe 15-2-6-21

Kerr McGee Oil & Gas Onshore LP
- NBU 921-25A
- NBU 921-25P
- NBU 921-35J
- NBU 922-32K2

Questar Exploration & Production
- HR 2MU-2-12-23
- HR 3MU-2-12-23
- HR 6MU-2-12-23 (Cleared provided operator follows arch consultants recommendation to move location avoiding significant site)
- HR 10MU-2-12-23
- HR 12MU-2-12-23
- HR 14MU-2-12-23
- HR 16MU-2-12-23

Stone Energy Corporation
- Stone Rush 44-32-8-17

If you have any questions regarding this matter please give me a call.

CC: Davis, Jim; Garrison, LaVonne; Hill, Brad; Hunt, Gil

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

JOHN R BAZA
Division Director

June 29, 2006

The Houston Exploration Company
1100 Louisiana, Suite 200
Houston, TX 77002

Re: North Horseshoe 13-2-6-21 Well, 781' FSL, 688' FWL, SW SW, Sec. 2, T. 6 South, R. 21 East, Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann.§ 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-37476.

Sincerely,

for Gil Hunt
Associate Director

mf
Enclosures

cc: Uintah County Assessor
SITLA

1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114-5801
telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • *www.ogm.utah.gov*

Operator: The Houston Exploration Company
Well Name & Number North Horseshoe 13-2-6-21
API Number: 43-047-37476
Lease: ML-47549

Location: SW SW **Sec.** 2 **T.** 6 South **R.** 21 East

Conditions of Approval

1. **General**
   Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for Permit to Drill.

2. **Notification Requirements**
   The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:
   - 24 hours prior to cementing or testing casing
   - 24 hours prior to testing blowout prevention equipment
   - 24 hours prior to spudding the well
   - within 24 hours of any emergency changes made to the approved drilling program
   - prior to commencing operations to plug and abandon the well

   The following are Division of Oil, Gas and Mining contacts and their work telephone numbers (please leave a voice mail message if the person is not available to take the call):
   - Dan Jarvis at (801) 538-5338
   - Carol Daniels at (801) 538-5284 (spud)

3. **Reporting Requirements**
   All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical or paleontological remains be encountered during your operations, you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.

5. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

6. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)

FORM 9

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

CONFIDENTIAL

5. LEASE DESIGNATION AND SERIAL NUMBER: ML-47549

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME: NA

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

7. UNIT or CA AGREEMENT NAME: NA

1. TYPE OF WELL: OIL WELL ☐ GAS WELL ☑ OTHER

8. WELL NAME and NUMBER: North Horseshoe13-2-6-21

2. NAME OF OPERATOR: The Houston Exploration Company

9. API NUMBER: 4304737476

3. ADDRESS OF OPERATOR: 1100 Louisiana Suite 2000 CITY Houston STATE TX ZIP 77002

PHONE NUMBER: (713) 830-6800

10. FIELD AND POOL, OR WILDCAT: Undesignated

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 781' FSL & 688' FWL

COUNTY: Uintah

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSW 2 6S 21E

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
☑ NOTICE OF INTENT (Submit in Duplicate)	☐ ACIDIZE	☐ DEEPEN	☐ REPERFORATE CURRENT FORMATION
Approximate date work will start:	☐ ALTER CASING	☐ FRACTURE TREAT	☐ SIDETRACK TO REPAIR WELL
	☐ CASING REPAIR	☐ NEW CONSTRUCTION	☐ TEMPORARILY ABANDON
	☐ CHANGE TO PREVIOUS PLANS	☐ OPERATOR CHANGE	☐ TUBING REPAIR
	☐ CHANGE TUBING	☐ PLUG AND ABANDON	☐ VENT OR FLARE
☐ SUBSEQUENT REPORT (Submit Original Form Only)	☐ CHANGE WELL NAME	☐ PLUG BACK	☐ WATER DISPOSAL
Date of work completion:	☐ CHANGE WELL STATUS	☐ PRODUCTION (START/RESUME)	☐ WATER SHUT-OFF
	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☑ OTHER: Extension
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Operator respectfully requests to extend approval for the subject location for one year.

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 05-21-07

By:

COPY SENT TO OPERATOR
Date: 5-22-07
Initials: RM

NAME (PLEASE PRINT) William A. Ryan TITLE Agent

SIGNATURE William A Ryan DATE 5/14/2007

(This space for State use only)

RECEIVED
MAY 21 2007
DIV. OF OIL, GAS & MINING

(5/2000) (See Instructions on Reverse Side)

[redacted]

Application for Permit to Drill
Request for Permit Extension
Validation
(this form should accompany the Sundry Notice requesting permit extension)

API: 4304737476
Well Name: North Horseshoe 13-2-6-21
Location: Section 2 Township 6 South, Range 21 East SWSW
Company Permit Issued to: The Houston Exploration Company
Date Original Permit Issued: 6/29/2006

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes☐No☑

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes☐No☑

Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes☐No☑

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes☐No☑

Has the approved source of water for drilling changed? Yes☐No☑

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes☐No☑

Is bonding still in place, which covers this proposed well? Yes☑No☐

William A Ryan
Signature

5/14/2007
Date

Title: Agent

Representing: The Houston Exploration Company

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MAY 2 1 2007
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Division of Oil, Gas and Mining

OPERATOR CHANGE WORKSHEET

ROUTING
1. DJJ
2. CDW

Change of Operator (Well Sold) **X - Operator Merger**

The operator of the well(s) listed below has changed, effective: **6/1/2007**

FROM: (Old Operator):	**TO:** (New Operator):
N2525 - The Houston Exploration Company	N6965-Forest Oil Corporation
1100 Louisiana, Suite 2000	707 17th St, Suite 3600
Houston, TX 77002	Denver, CO 80202
Phone: 1-(713) 830-6800	Phone: 1 (303) 812-1755

CA No. **Unit:**

WELL NAME	SEC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
SEE ATTACHED LIST								

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

1. (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 7/30/2007
2. (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 7/30/2007
3. The new company was checked on the **Department of Commerce, Division of Corporations Database on:** 7/31/2007
4a. Is the new operator registered in the State of Utah: Business Number: 571171-0143
4b. If **NO**, the operator was contacted contacted on:
5a. (R649-9-2)Waste Management Plan has been received on: IN PLACE
5b. Inspections of LA PA state/fee well sites complete on:
5c. Reports current for Production/Disposition & Sundries on: YES
6. **Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM 7/31/2007 BIA
7. **Federal and Indian Units:**
   The BLM or BIA has approved the successor of unit operator for wells listed on: n/a
8. **Federal and Indian Communization Agreements ("CA"):**
   The BLM or BIA has approved the operator for all wells listed within a CA on: n/a
9. **Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject,** for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: n/a

DATA ENTRY:

1. Changes entered in the **Oil and Gas Database on:** 8/27/2007
2. Changes have been entered on the **Monthly Operator Change Spread Sheet on:** 8/27/2007
3. Bond information entered in RBDMS on: 8/27/2007
4. Fee/State wells attached to bond in RBDMS on: 8/27/2007
5. Injection Projects to new operator in RBDMS on: n/a
6. Receipt of Acceptance of Drilling Procedures for APD/New on: 7/30/2007

BOND VERIFICATION:

1. Federal well(s) covered by Bond Number: 6236351
2. Indian well(s) covered by Bond Number: n/a
3a. (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number 6218963
3b. The **FORMER** operator has requested a release of liability from their bond on: not yet

LEASE INTEREST OWNER NOTIFICATION:

4. (R649-2-10) The **FORMER** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: 8/1/2007

COMMENTS:

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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1. TYPE OF WELL: OIL WELL ☐ GAS WELL ☐ OTHER	5. LEASE DESIGNATION AND SERIAL NUMBER: See Attached List
	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
	7. UNIT or CA AGREEMENT NAME:
	8. WELL NAME and NUMBER: See Attached List
2. NAME OF OPERATOR: Forest Oil Corporation N6965	9. API NUMBER: various
3. ADDRESS OF OPERATOR: 707 17th Street, #3600 CITY Denver, STATE CO ZIP 80202 PHONE NUMBER: (303) 812-1755	10. FIELD AND POOL, OR WILDCAT:
4. LOCATION OF WELL FOOTAGES AT SURFACE: See attached list	COUNTY:
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:	STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

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☐ NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start:	☐ ACIDIZE	☐ DEEPEN	☐ REPERFORATE CURRENT FORMATION
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	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☑ OTHER: Change of Operator
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. N2525

Effective 6/1/2007 please change the operator for the attached list of Utah wells from The Houston Exploration Company N-2525) to Forest Oil Corporation (N-6965). Forest merged with The Houston Exploration Company, a copy of the merger document is attached.. The contract operated wells will continue to be contract operated by Enduring.

Forest Oil Corporation as new operator, accepts all applicable terms, conditions, stipulations and restrictions concerning approved operations conducted on the lease or portion of the lease described.

Forest Oil Corporation meets the State of Utah bonding requirements under Safeco bond #6218963.

Please send all future correspondence to Forest Oil Corporation at the above listed address.

Forest Oil Corporation, 707 17th Street, Suite #3600, Denver, CO 80202

J. C. Ridens, Senior Vice President - Western Region — 7-5-07 Date

NAME (PLEASE PRINT) Joanne C. Hresko TITLE Vice President & General Mgr. - Northern Division

SIGNATURE Joanne C. Hresko DATE 7-5-07

(This space for State use only)

APPROVED 8/27/07
Carlene Russell
Division of Oil, Gas and Mining
Earlene Russell, Engineering Technician

All wells with APD or New status

(See Instructions on Reverse Side)

RECEIVED
JUL 30 2007
DIV OF OIL, GAS & MINING

(5/2000)

wmp

well_name	sec	twp	rng	api	entity	lease	well	stat	flag
HORSESHOE BEND 16-33	33	060S	210E	4304736214		Federal	OW	APD	
HORSESHOE BEND 3-33	33	060S	210E	4304736215		Federal	OW	APD	
N HORSESHOE 7-16-6-21	16	060S	210E	4304737438		State	GW	APD	C
N HORSESHOE 9-16-6-21	16	060S	210E	4304737439		State	GW	APD	C
N HORSESHOE 15-16-6-21	16	060S	210E	4304737440		State	GW	APD	C
N HORSESHOE 11-16-6-21	16	060S	210E	4304737441		State	GW	APD	C
N HORSESHOE 1-16-6-21	16	060S	210E	4304737442		State	GW	APD	C
N HORSESHOE 13-2-6-21	02	060S	210E	4304737476		State	GW	APD	C
N HORSESHOE 15-2-6-21	02	060S	210E	4304737477		State	GW	APD	C
GUSHER 2-2-6-19	02	060S	190E	4304737561		State	OW	APD	C
GUSHER 16-2-6-19	02	060S	190E	4304737562		State	OW	APD	C
GUSHER 1-2-6-19	02	060S	190E	4304737563		State	OW	APD	C
GUSHER 3-2-6-19	02	060S	190E	4304737568		State	OW	APD	C
E COYOTE 6-2-8-25	02	080S	250E	4304737572		State	GW	APD	C
E COYOTE 3-2-8-25	02	080S	250E	4304737573		State	GW	APD	C
E COYOTE 8-2-8-25	02	080S	250E	4304737574		State	GW	APD	C
N HORSESHOE 13-16-6-21	16	060S	210E	4304737575		State	GW	APD	C
E COYOTE 4-2-8-25	02	080S	250E	4304737882		State	GW	APD	C
E COYOTE 14-2-8-25	02	080S	250E	4304737883		State	GW	APD	C
E COYOTE 10-2-8-25	02	080S	250E	4304737884		State	GW	APD	C
E COYOTE 16-2-8-25	02	080S	250E	4304737885		State	GW	APD	C
E COYOTE 12-2-8-25	02	080S	250E	4304737886		State	GW	APD	C
N HORSESHOE 16-18-6-22	18	060S	220E	4304737887		Federal	GW	APD	C
N HORSESHOE 14-18-6-22	18	060S	220E	4304737888		Federal	GW	APD	C
N HORSESHOE 2-18-6-22	18	060S	220E	4304737889		Federal	GW	APD	C
N HORSESHOE 10-18-6-22	18	060S	220E	4304737890		Federal	GW	APD	C
N HORSESHOE 8-18-6-22	18	060S	220E	4304737891		Federal	GW	APD	C
N HORSESHOE 13-15-6-21	15	060S	210E	4304738013		Federal	GW	APD	C
N HORSESHOE 15-15-6-21	15	060S	210E	4304738014		Federal	GW	APD	C
N HORSESHOE 11-15-6-21	15	060S	210E	4304738015		Federal	GW	APD	C
N HORSESHOE 9-15-6-21	15	060S	210E	4304738016		Federal	GW	APD	C
N HORSESHOE 5-15-6-21	15	060S	210E	4304738017		Federal	GW	APD	C
N HORSESHOE 3-15-6-21	15	060S	210E	4304738018		Federal	GW	APD	C
N HORSESHOE 5-20-6-22	20	060S	220E	4304738019		Federal	GW	APD	C
N HORSESHOE 13-20-6-22	20	060S	220E	4304738020		Federal	GW	APD	C
N HORSESHOE 3-20-6-22	20	060S	220E	4304738021		Federal	GW	APD	C
N HORSESHOE 7-20-6-22	20	060S	220E	4304738022		Federal	GW	APD	C
N HORSESHOE 11-20-6-22	20	060S	220E	4304738023		Federal	GW	APD	C
N HORSESHOE 2-12-6-21	12	060S	210E	4304738198		Federal	GW	APD	C
N HORSESHOE 14-12-6-21	12	060S	210E	4304738199		Federal	GW	APD	C
N HORSESHOE 10-12-6-21	12	060S	210E	4304738200		Federal	GW	APD	C
N HORSESHOE 8-12-6-21	12	060S	210E	4304738201		Federal	GW	APD	C
N HORSESHOE 16-13-6-21	13	060S	210E	4304738202		Federal	GW	APD	C
N HORSESHOE 15-17-6-22	17	060S	220E	4304738203		Federal	GW	APD	C
N HORSESHOE 5-19-6-22	19	060S	220E	4304738204		Federal	GW	APD	C
N HORSESHOE 15-19-6-22	19	060S	220E	4304738205		Federal	GW	APD	C
N HORSESHOE 3-21-6-22	21	060S	220E	4304738206		Federal	GW	APD	C
N HORSESHOE 11-21-6-22	21	060S	220E	4304738207		Federal	GW	APD	C
N HORSESHOE 15-21-6-22	21	060S	220E	4304738208		Federal	GW	APD	C
N HORSESHOE 13-21-6-22	21	060S	220E	4304738209		Federal	GW	APD	C
N HORSESHOE 5-21-6-22	21	060S	220E	4304738210		Federal	GW	APD	C
N HORSESHOE 7-19-6-22	19	060S	220E	4304738271		Federal	GW	APD	C
N HORSESHOE 5-16-6-22	16	060S	220E	4304738406		State	GW	APD	

well_name	sec	twp	rng	api	entity	lease	well	stat	flag
TWELVEMILE WASH 11-13-5-20	13	050S	200E	4304738437		Federal	GW	APD	C
TWELVEMILE WASH 1-15-5-20	15	050S	200E	4304738438		Federal	GW	APD	C
N HORSESHOE 4-33-5-21	33	050S	210E	4304738439		Federal	GW	APD	C
GUSHER 6-15-6-19	15	060S	190E	4304738440		Federal	GW	APD	C
HORSESHOE BEND W 9-34-6-20	34	060S	200E	4304738441		Federal	GW	APD	C
N HORSESHOE 16-12-6-21	12	060S	210E	4304738442		Federal	GW	APD	C
N WALKER HOLLOW 12-29-6-23	29	060S	230E	4304738443		Federal	GW	APD	C
N WALKER HOLLOW 10-30-6-23	30	060S	230E	4304738444		Federal	GW	APD	C
PELICAN LAKE 11-3-8-20	03	080S	200E	4304738445		Federal	GW	APD	C
PELICAN LAKE 8-4-8-20	04	080S	200E	4304738446		Federal	GW	APD	C
E COYOTE 10-3-8-25	03	080S	250E	4304738447		Federal	GW	APD	C
BORDER 10-9-8-25	09	080S	250E	4304738448		Federal	GW	APD	C
N WALKER HOLLOW 14-33-6-23	33	060S	230E	4304738455		Federal	GW	APD	C
SNAKE JOHN WASH 14-11-7-25	11	070S	250E	4304738456		Federal	GW	APD	C
SNAKE JOHN WASH 4-24-7-25	24	070S	250E	4304738457		Federal	GW	APD	C
SQUAW RIDGE 1-26-7-25	26	070S	250E	4304738458		Federal	GW	APD	C
SQUAW RIDGE 13-28-7-25	28	070S	250E	4304738459		Federal	GW	APD	C
SQUAW RIDGE 16-30-7-25	30	070S	250E	4304738460		Federal	GW	APD	C
SQUAW RIDGE 14-16-7-25	16	070S	250E	4304738461		State	GW	APD	C
GUSHER 13-11-5-19	11	050S	190E	4304738462		State	GW	APD	C
N HORSESHOE 1-15-6-21	15	060S	210E	4304738831		Federal	GW	APD	C
N HORSESHOE 16-9-6-22	09	060S	220E	4304739083		State	GW	APD	
N HORSESHOE 12-7-6-22	07	060S	220E	4304739084		State	GW	APD	
N HORSESHOE 14-10-6-22	10	060S	220E	4304739085		State	GW	APD	
N HORSESHOE 2-15-6-22	15	060S	220E	4304739086		State	GW	APD	
N WALKER HOLLOW 12-32-6-23	32	060S	230E	4304739087		State	GW	APD	
N WALKER HOLLOW 10-32-6-23	32	060S	230E	4304739088		State	GW	APD	
N WALKER HOLLOW 16-32-6-23	32	060S	230E	4304739089		State	GW	APD	
N WALKER HOLLOW 8-32-6-23	32	060S	230E	4304739090		State	GW	APD	
N WALKER HOLLOW 11-36-6-23	36	060S	230E	4304739091		State	GW	APD	
N WALKER HOLLOW 13-36-6-23	36	060S	230E	4304739092		State	GW	APD	
N WALKER HOLLOW 14-32-6-23	32	060S	230E	4304739093		State	GW	APD	
N WALKER HOLLOW 15-36-6-23	36	060S	230E	4304739094		State	GW	APD	
N HORSESHOE 4-15-6-22	15	060S	220E	4304739095		State	GW	APD	
N HORSESHOE 9-10-6-21	10	060S	210E	4304739284		Federal	GW	APD	C
N HORSESHOE 12-13-6-21	13	060S	210E	4304739285		Federal	GW	APD	
N HORSESHOE 7-15-6-21	15	060S	210E	4304739286		Federal	GW	APD	
N HORSESHOE 9-19-6-22	19	060S	220E	4304739287		Federal	GW	APD	
N HORSESHOE 13-19-6-22	19	060S	220E	4304739288		Federal	GW	APD	
N HORSESHOE 11-19-6-22	19	060S	220E	4304739289		Federal	GW	APD	
SQUAW RIDGE 16-13-7-24	13	070S	240E	4304739319		Federal	GW	APD	C
N HORSESHOE 16-7-6-22	07	060S	220E	4304739320		Federal	GW	APD	C
SQUAW RIDGE 8-16-7-25	16	070S	250E	4304738024		State	GW	NEW	C

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Request to Transfer Application or Permit to Drill

(This form should accompany a Sundry Notice, Form 9, requesting APD transfer)

Well name:	N Horseshoe 13-2-6-21
API number:	4304737476
Location:	Qtr-Qtr: SWSW Section: 2 Township: 6S Range: 21E
Company that filed original application:	The Houston Exploration Company
Date original permit was issued:	06/29/2006
Company that permit was issued to:	The Houston Exploration Company

Check one	Desired Action:
	Transfer pending (unapproved) Application for Permit to Drill to new operator
	The undersigned as owner with legal rights to drill on the property, hereby verifies that the information as submitted in the pending Application for Permit to Drill, remains valid and does not require revision. The new owner of the application accepts and agrees to the information and procedures as stated in the application.
✓	**Transfer approved Application for Permit to Drill to new operator**
	The undersigned as owner with legal rights to drill on the property as permitted, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.	**Yes**	**No**
If located on private land, has the ownership changed?		✓
If so, has the surface agreement been updated?		
Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location?		✓
Have there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well?		✓
Have there been any changes to the access route including ownership or right-of-way, which could affect the proposed location?		✓
Has the approved source of water for drilling changed?		✓
Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation?		✓
Is bonding still in place, which covers this proposed well? Bond No. 6218963	✓	

Any desired or necessary changes to either a pending or approved Application for Permit to Drill that is being transferred, should be filed on a Sundry Notice, Form 9, or amended Application for Permit to Drill, Form 3, as appropriate, with necessary supporting information as required.

Name (please print) Tami Hofmann Title Regulatory Specialist

Signature Tami Hofmann Date 08/02/2007

Representing (company name) Forest Oil Corporation

The person signing this form must have legal authority to represent the company or individual(s) to be listed as the new operator on the Application for Permit to Drill.

(3/2004)

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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6. IF INDIAN, ALLOTTEE OR TRIBE NAME: NA

7. UNIT or CA AGREEMENT NAME: NA

1. TYPE OF WELL: OIL WELL ☐ GAS WELL ☑ OTHER

8. WELL NAME and NUMBER: North Horseshoe 13-2-6-21

2. NAME OF OPERATOR: Forest Oil Corporation

9. API NUMBER: 4304737476

3. ADDRESS OF OPERATOR: 707 17th ST Suite 3600 CITY Denver STATE CO ZIP 80202

PHONE NUMBER: (303) 812-1700

10. FIELD AND POOL, OR WILDCAT: Exploratory

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 781' FSL & 688' FWL

COUNTY: Uintah

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSW 2 6S 21E

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

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	☐ CHANGE TUBING	☐ PLUG AND ABANDON	☐ VENT OR FLARE
☐ SUBSEQUENT REPORT (Submit Original Form Only)	☐ CHANGE WELL NAME	☐ PLUG BACK	☐ WATER DISPOSAL
Date of work completion:	☐ CHANGE WELL STATUS	☐ PRODUCTION (START/RESUME)	☐ WATER SHUT-OFF
	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☑ OTHER: Extension
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

The Operator respectfully requests a one year approval extension for the subject location.

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 04-29-08

By:

COPY SENT TO OPERATOR

Date: 5·1·2008

Initials: KS

NAME (PLEASE PRINT) Ginger Bowden TITLE Agent

SIGNATURE Ginger Bowden DATE 4/16/2008

(This space for State use only)

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APR 28 2008

DIV. OF OIL, GAS & MINING

(5/2000) (See Instructions on Reverse Side)

[redacted]

Application for Permit to Drill
Request for Permit Extension
Validation
(this form should accompany the Sundry Notice requesting permit extension)

API: 4304737476
Well Name: North Horseshoe 13-2-6-21
Location: Section 2, Township 6 South Range 21 East SWSW
Company Permit Issued to: Forest Oil Corporation (Houston Exploration Co)
Date Original Permit Issued: 6/29/2006

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes☐No☑

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes☐No☑

Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes☐No☑

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes☐No☑

Has the approved source of water for drilling changed? Yes☐No☑

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes☐No☑

Is bonding still in place, which covers this proposed well? Yes☑No☐

Ginger Bowden
Signature

4/16/2008
Date

Title: Agent

Representing: Forest Oil Corporation

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DIV. OF OIL, GAS & MINING

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah
DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining
JOHN R. BAZA
Division Director

June 18, 2009

Forest Oil Corporation
707 17th Street, Suite 3600
Denver, CO 80202

Re: APD Rescinded – N Horseshoe 13-2-6-21, Sec.2, T.6S, R.21E
Uintah County, Utah API No. 43-047-37476

Ladies and Gentlemen:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on June 29, 2006. On May 21, 2007 and April 29, 2008 the Division granted a one-year APD extension. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective June 18, 2009.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

Diana Mason
Environmental Scientist

cc: Well File
SITLA, Ed Bonner

1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114-5801
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UTAH DNR OIL, GAS & MINING